



a PPL company

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

March 30, 2012

**RE: APPLICATION OF LOUISVILLE GAS AND
ELECTRIC COMPANY FOR AN ORDER APPROVING
ITS CALCULATION OF THE ACQUISITION
SAVINGS SHARING DEFERRAL METHODOLOGY
FOR 2011**

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten copies of the Application of Louisville Gas and Electric Company for an order approving its calculation of the Acquisition Savings Sharing Deferral Methodology for 2011. Please confirm your receipt of this filing by placing the stamp of your office with the date received on the enclosed additional copy of this filing.

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

Sincerely,

Robert M. Conroy

cc: Dennis G. Howard II
Michael L. Kurtz
Kendrick R. Riggs
Allyson K. Sturgeon

RECEIVED

MAR 30 2012

PUBLIC SERVICE
COMMISSION

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

Robert M. Conroy
Director - Rates
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR AN ORDER)	
APPROVING ITS CALCULATION OF THE)	CASE NO. 2012-_____
ACQUISITION SAVINGS SHARING)	
DEFERRAL METHODOLOGY FOR 2011)	

VERIFIED APPLICATION

Louisville Gas and Electric Company (“LG&E”) hereby petitions the Kentucky Public Service Commission (“Commission”), pursuant to KRS 278.220, to issue an order by June 30, 2012, approving its calculations of the Acquisition Savings Sharing Deferral Methodology for 2011. In support of this Application, LG&E states as follows:

1. Address: Applicant’s full name and business address is: Louisville Gas and Electric Company, 220 West Main Street, Louisville, Kentucky 40202. LG&E’s mailing address is c/o LG&E and KU Energy, LLC, 220 West Main Street, P. O. Box 32010, Louisville, KY 40232.

2. Articles of Incorporation: A certified copy of LG&E’s Articles of Incorporation is on file with the Commission in Case No. 2010-00204, *In the Matter of: The Joint Application of PPL Corporation, E.ON AG, E.ON U.S. Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities* and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby,

Spencer, and Trimble Counties. LG&E also purchases, stores and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

4. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Lonnie Bellar
Vice President, State Regulation and Rates
LG&E and KU Energy LLC
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-4830

Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088

Kendrick R. Riggs
W. Duncan Crosby III
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202
Telephone: (502) 333-6000

Acquisition Savings Sharing Deferral Methodology

5. The Commission in Case No. 2010-00204, *In the Matter of: The Joint Application of PPL Corporation, E.ON AG, E.ON U.S. Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities*, issued an order on September 30, 2011 approving the transfer of ownership of LG&E and its sister utility, Kentucky Utilities Company (“KU”), through PPL Corporation’s acquisition of E.ON U.S. Investments’ interests in E.ON U.S. LLC.

In connection with its approval of the transfer of ownership in Case No. 2010-00204, the Commission approved a Settlement Agreement, Stipulation and Recommendation (“Settlement Agreement”). Article II of that Settlement Agreement requires LG&E and KU to adopt and implement the Acquisition Savings Sharing Deferral (“ASSD”) methodology subject to the conditions contained therein.

6. LG&E and KU are to file with the Commission by April 1, beginning April 1, 2012, their applications for orders approving their ASSD calculations and the annual deferral amounts, if any, resulting therefrom. This application contains LG&E’s ASSD calculations for the calendar year 2011.

LG&E’s ASSD Calculations (Electric Operations)

7. LG&E’s ASSD calculations for calendar year 2011 are contained in Exhibits 1 through 9. The Index to Schedules attached to Exhibits 1 through 9 lists the revenue requirement calculations according to the applicable section in Article 2 of the Settlement Agreement with the corresponding exhibit and supporting reference schedule.¹ The work papers and source documents supporting the calculations in Exhibits 1 through 9 are attached to each schedule. The calculations are similar in kind to and where applicable correspond with the order in LG&E’s last base rate case, Case No. 2009-549. Exhibit 8 page 1 of 2, “*Calculation of Excess Return Amount at December 31, 2011*” shows:

¹The adjustments to (1) eliminate environmental surcharge revenues and expenses (Exhibit 1, Reference Schedule 1.03), (2) reduce revenues associated with ECR-related off-system and intercompany sales (Exhibit 1, Reference Schedule 1.04) and (3) pro form capitalization (Exhibit 2, page 2 of 2, Column 6 “Environmental Compliance Plans”) are based on the assumption that the ECR monthly billing factor during 2011 continued to be calculated using the percentage of revenue method. During the test year in Case No. 2009-00549, LG&E’s ECR monthly billing factor was calculated using the percentage of revenue method. Effective with the ECR billing month of February 2010, LG&E’s ECR monthly billing factor was calculated using the revenue requirement method in accordance with the Commission’s Order in Case No. 2009-00310. Thus the ECR monthly billing factor for the twelve-month period ended December 31, 2011, was calculated using the revenue requirement method consistent with the Commission’s Order in Case No. 2009-00311.

ELECTRIC

1. Actual Earned Rate of Return on Common Equity (Section 2.2)	9.07%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	<u>-1.68%</u>

Because the calculated ASSD actual earned rate of return on common equity is less than the threshold requirement of 10.75%, there is no excess return amount for LG&E's electric operations for purposes of determining a regulatory liability. Exhibit 9 page 1 of 2 further shows LG&E's actual earned rate of return on common equity for the twelve months ended December 31, 2011 for its electric operations was 9.07%.

8. The adjustments to (1) eliminate environmental surcharge revenues and expenses (Exhibit 1, Reference Schedule 1.03), (2) reduce revenues associated with ECR-related off-system and intercompany sales (Exhibit 1, Reference Schedule 1.04) and (3) pro form capitalization (Exhibit 2, page 2 of 2, Column 6 "Environmental Compliance Plans") do not reflect the decision by the Commission in its Order in Case No. 2009-00311, *An Examination By The Public Service Commission Of The Environmental Surcharge Mechanism Of Louisville Gas and Electric Company For The Two-Year Billing Period Ending April 30, 2009*, to eliminate the use of the percentage of revenue method and approve the use of the revenue requirement method for calculating the monthly ECR billing factor. The calculation of these three pro forma adjustments is based on the assumption that the Commission's order in Case No. 2009-00311 did not eliminate the use of the percentage of revenue method and the ECR monthly billing factor during 2011 continued to be calculated accordingly. In fact, LG&E's ECR monthly billing factor during the twelve-month period ended December 31, 2011 was calculated using the

revenue requirement method pursuant to the Commission’s Order in Case No. 2009-00311.² Supplemental Exhibits 1 through 9 contain LG&E’s ASSD calculations for calendar year 2011, reflecting the calculation of these adjustments in accordance with the Commission’s December 2, 2009 Order in Case No. 2009-00311. The calculations in Supplemental Exhibits 1 through 9 are similar in kind to and where applicable correspond with the orders in LG&E’s last base rate case, Case No. 2009-549 and two-year ECR review case, Case No. 2009-00311. Supplemental Exhibit 8 page 1 of 2, “Calculation of Excess Return Amount at December 31, 2011” shows:

ELECTRIC

1. Actual Earned Rate of Return on Common Equity (Section 2.2)	9.07%	
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%	
3. Difference (Lines: 1 - 2)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">-1.68%</td> </tr> </table>	-1.68%
-1.68%		

Because the calculated ASSD actual earned rate of return on common equity is less than the threshold requirement of 10.75%, there is no excess return amount for LG&E’s electric operations for purposes of determining a regulatory liability. Exhibit 9 page 1 of 2 further shows LG&E’s actual earned rate of return on common equity for the twelve months ended December 31, 2011 for its electric operations was 9.07%.

² The calculation of the monthly billing factor based on the revenue method was effective February 1, 2010.

LG&E's ASSD Calculations (Gas Operations)

9. LG&E's ASSD calculations for calendar year 2011 are contained in Exhibits 1 through 9. The Index to Schedules attached to Exhibits 1 through 9 lists the revenue requirement calculations according to the applicable section in Article 2 of the Settlement Agreement with the corresponding exhibit and supporting reference schedule. The work papers and source documents supporting the calculations in Exhibits 1 through 9 are attached to each schedule. The calculations are similar in kind to and where applicable correspond with the order in LG&E's last base rate case, Case No. 2009-549. Exhibit 8 page 2 of 2, "*Calculation of Excess Return Amount at December 31, 2011*" shows:

	GAS
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	8.56%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	<u>-2.19%</u>

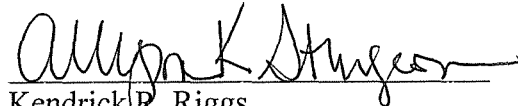
Because the calculated ASSD actual earned rate of return on common equity is less than the threshold requirement of 10.75%, there is no excess return amount for LG&E's gas operations for purposes of determining a regulatory liability. Exhibit 9 page 2 of 2 further shows LG&E's actual earned rate of return on common equity for the twelve months ended December 31, 2011 for its gas operations was 8.56%.³

³ The calculations are shown on Supplemental Exhibit 8, page 2 of 2 and Supplemental Exhibit 9, page 2 of 2.

WHEREFORE, Louisville Gas and Electric Company respectfully requests the Commission issue an order, by June 30, 2012, approving its calculations of the Acquisition Savings Sharing Deferral Methodology for its gas and electric operations in 2011.

Dated: March 30th, 2012

Respectfully submitted,



Kendrick R. Riggs
W. Duncan Crosby III
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2000 PNC Plaza
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Senior Corporate Attorney
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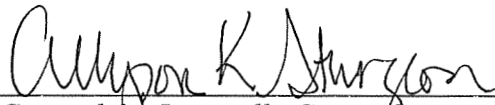
*Counsel for Louisville Gas and
Electric Company*

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the above and foregoing Application was served upon the following persons by first class United States mail, this 30th day of March 2012 and no other party to Case No. 2010-00204 has requested a copy of this application as of this date:

Dennis G. Howard II
Assistant Director
Office of the Kentucky Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Michael L. Kurtz
Kurt J. Boehm
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202



*Counsel for Louisville Gas and
Electric Company*

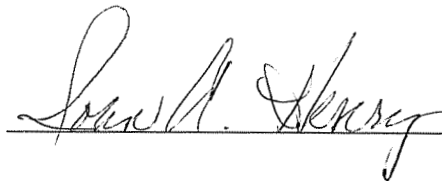
VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says he is Vice President, State Regulation and Rates for Louisville Gas and Electric Company and Kentucky Utilities Company, and that he has personal knowledge of the matters set forth in the foregoing Verified Application, and that the content thereof is true and correct to the best of his information, knowledge, and belief.


_____ (SEAL)
LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 28th day of March 2012.

 _____ (SEAL)

My Commission Expires:
July 21, 2015

LOUISVILLE GAS AND ELECTRIC COMPANY

Acquisition Savings Sharing Deferral Methodology

ECR Percentage of Revenue Method

Index of Schedules

<u>Settlement Agreement Section</u>	<u>Exhibit</u>	<u>Reference Schedule</u>	<u>Description</u>
Section 2.2.1	Exhibit 1		Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
	Exhibit 1	1.00	Adjustment to eliminate unbilled revenues
	Exhibit 1	1.01	To adjust mismatch in fuel cost recovery
	Exhibit 1	1.02	To adjust base rates and FAC to reflect a full year of the FAC roll-in
	Exhibit 1	1.03	Adjustment to eliminate Environmental Surcharge revenues and expenses
	Exhibit 1	1.04	Off-system sales revenue adjustment for the ECR calculation
	Exhibit 1	1.05	To eliminate net brokered and financial swap sales revenues and expenses
	Exhibit 1	1.06	To eliminate ECR, MSR, DSM, FAC, and GSC accruals
	Exhibit 1	1.07	To eliminate DSM revenue and expenses
	Exhibit 1	1.08	Adjustment to annualize year-end customers
	Exhibit 1	1.09	Adjustment to reflect annualized depreciation expenses
	Exhibit 1	1.10	Adjustment to reflect increases in labor and labor related costs
	Exhibit 1	1.11	Adjustment for pension, post retirement and post employment costs
	Exhibit 1	1.12	Adjustment to reflect normalized storm damage expense
	Exhibit 1	1.13	Adjustment for injuries and damages FERC account 925
	Exhibit 1	1.14	Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016
	Exhibit 1	1.15	Adjustment to remove out-of-period items
	Exhibit 1	1.16	Adjustment to revenues and expenses to eliminate gas supply cost
	Exhibit 1	1.17	Adjustment to revenues for temperature normalization
	Exhibit 1	1.18	Calculation of Composite Federal and Kentucky Income tax rate
	Exhibit 1	1.19	Adjustment to federal and state income taxes resulting from interest synchronization
	Exhibit 1	1.20	Prior income tax true-ups and adjustments
	Exhibit 1	1.21	Calculation of Revenue Gross Up Factor
Section 2.2.2	Exhibit 2		Capitalization at December 31, 2011
Section 2.2.2	Exhibit 3		Net Original Cost Rate Base
Section 2.4	Exhibit 8		Calculation of Excess Return Amount at December 31, 2011
Section 2.2.3	Exhibit 9		Electric and Gas Rate of Return on Common Equity

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Electric Department			Gas Department		
		Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
1. Amount per books		1,059,750,303	916,746,946	\$143,003,357	304,574,422	279,811,178	\$24,763,244
2. Adjustments for known changes and to eliminate unrepresentative conditions:							
3. Adjustment to eliminate unbilled revenues	1.00	8,003,000	-	8,003,000	7,607,432	-	7,607,432
4. To adjust mismatch in fuel cost recovery	1.01	(32,333,022)	(31,249,120)	(1,083,902)	-	-	-
5. To adjust base rates and FAC to reflect a full year of the FAC roll-in	1.02	(4,038,491)	-	(4,038,491)	-	-	-
6. Adjustment to eliminate Environmental Surcharge revenues and expenses	1.03	(6,678,264)	(1,139,112)	(5,539,152)	-	-	-
7. Off-system sales revenue adjustment for the ECR calculation	1.04	(985,420)	-	(985,420)	-	-	-
8. To eliminate net brokered and financial swap sales revenues and expenses	1.05	2,737,301	(71,069)	2,808,370	-	-	-
9. To eliminate ECR, MSR, DSM, FAC, and GSC accruals	1.06	2,865,641	-	2,865,641	(408,439)	-	(408,439)
10. To eliminate DSM revenue and expenses	1.07	(15,455,244)	(10,021,207)	(5,434,037)	(3,222,760)	(2,281,107)	(941,653)
11. Adjustment to annualize year-end customers	1.08	(2,958,286)	(1,939,276)	(1,019,010)	(417,040)	(95,320)	(321,720)
12. Adjustment to reflect annualized depreciation expenses	1.09	-	714,267	(714,267)	-	238,230	(238,230)
13. Adjustment to reflect increases in labor and labor related costs	1.10	-	2,117,429	(2,117,429)	-	529,357	(529,357)
14. Adjustment for pension, post retirement and post employment costs	1.11	-	(4,801,665)	4,801,665	-	(1,200,416)	1,200,416
15. Adjustment to reflect normalized storm damage expense	1.12	-	(1,419,863)	1,419,863	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Electric Department			Gas Department		
		Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
16. Adjustment for injuries and damages FERC account 925	1.13	-	(289,994)	289,994	-	(258,510)	258,510
17. Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016	1.14	-	(512,679)	512,679	-	(203,775)	203,775
18. Adjustment to remove out-of-period items	1.15	2,862	19,610	(16,748)	-	189	(189)
19. Adjustment to revenues and expenses to eliminate gas supply cost recoveries and gas supply expenses	1.16	-	-	-	(172,491,115)	(163,465,524)	(9,025,591)
20. Adjustment to revenues for temperature normalization	1.17	-	-	-	408,729	-	408,729
21. Total of above adjustments		<u>\$ (48,839,922)</u>	<u>\$ (48,592,679)</u>	<u>\$ (247,244)</u>	<u>\$ (168,523,193)</u>	<u>\$ (166,736,877)</u>	<u>\$ (1,786,316)</u>
22. Federal and state income taxes corresponding to base revenue and expense adjustments and above adjustments -	37.3280 % 1.18		(92,291)	92,291		(666,797)	666,797
23. Federal and state income taxes corresponding to annualization and adjustment of year-end interest expense	1.19		63,740	(63,740)		76,537	(76,537)
24. Prior income tax true-ups and adjustments	1.20		8,649,839	(8,649,839)		(9,317,254)	9,317,254
25. Total adjustments		<u>(48,839,922)</u>	<u>(39,971,390)</u>	<u>(8,868,532)</u>	<u>(168,523,193)</u>	<u>(176,644,391)</u>	<u>8,121,198</u>
26. Adjusted Net Operating Income		<u>1,010,910,381</u>	<u>876,775,556</u>	<u>\$ 134,134,825</u>	<u>136,051,229</u>	<u>103,166,787</u>	<u>\$ 32,884,442</u>

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94	\$ 366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue.....	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses.....	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses.....	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses.....	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

January 26, 2012

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Operation Expenses.....	\$ 1,271,661.77	\$ (2,699,268.34)	\$ 14,936,835.83	\$ 11,821,793.75	\$ 14,936,835.83	\$ 11,821,793.75
Maintenance.....	190,429.24	99,060.28	2,618,111.78	2,171,938.18	2,618,111.78	2,171,938.18
Rents.....	175.00	2,358.09	23,715.72	23,780.31	23,715.72	23,780.31
Total Transmission Expenses.....	1,462,266.01	(2,597,849.97)	17,578,663.33	14,017,512.24	17,578,663.33	14,017,512.24
Operation Expenses.....	2,072,998.00	1,830,316.12	17,924,594.43	17,224,839.54	17,924,594.43	17,224,839.54
Maintenance.....	1,451,327.70	2,124,308.00	24,544,820.26	16,225,860.19	24,544,820.26	16,225,860.19
Rents.....	87.50	1,945.28	13,433.88	12,979.61	13,433.88	12,979.61
Total Distribution Expenses.....	3,524,413.20	3,956,569.40	42,482,848.57	33,463,679.34	42,482,848.57	33,463,679.34
Total Production, Transmission, Distribution Expenses...	53,344,885.68	57,410,248.11	617,293,854.49	596,779,890.11	617,293,854.49	596,779,890.11
Provision for Uncollectible Accounts.....	374,204.51	357,496.21	3,578,080.19	4,474,644.31	3,578,080.19	4,474,644.31
Other Customer Accounts Expenses.....	693,557.09	852,073.36	8,763,036.62	8,709,443.39	8,763,036.62	8,709,443.39
Total Customer Accounts Expenses.....	1,067,761.60	1,209,569.57	12,341,116.81	13,184,087.70	12,341,116.81	13,184,087.70
Total Customer Service and Information Expenses.....	1,484,912.57	492,677.38	10,660,302.18	10,181,985.00	10,660,302.18	10,181,985.00
Total Sales Expenses.....	194.06	2,427.52	25,095.44	29,625.37	25,095.44	29,625.37
Other Administrative and General Expenses.....	5,727,004.10	6,147,741.31	72,845,292.20	69,287,424.69	72,845,292.20	69,287,424.69
Maintenance.....	708,488.89	856,595.45	8,917,433.65	8,546,092.61	8,917,433.65	8,546,092.61
Rents.....	133,883.85	140,007.63	1,565,256.65	1,578,470.49	1,565,256.65	1,578,470.49
Total Administrative and General Expenses.....	6,569,376.84	7,144,344.39	83,327,982.50	79,411,987.79	83,327,982.50	79,411,987.79
Total Operation Expenses.....	55,432,063.74	53,382,597.66	627,413,263.49	605,429,549.34	627,413,263.49	605,429,549.34
Total Maintenance Expenses.....	7,035,067.01	12,876,669.31	96,235,087.93	94,158,026.63	96,235,087.93	94,158,026.63
Total Electric Operating Expenses.....	62,467,130.75	66,259,266.97	723,648,351.42	699,587,575.97	723,648,351.42	699,587,575.97
Depreciation.....	9,976,297.74	9,221,009.89	118,859,672.94	110,972,479.31	118,859,672.94	110,972,479.31
Depreciation for Asset Retirement Costs.....	150,958.58	146,954.31	2,062,145.74	837,323.97	2,062,145.74	837,323.97
Amortization Expense.....	496,568.09	462,901.63	5,774,759.45	5,640,701.93	5,774,759.45	5,640,701.93
Regulatory Credits.....	(286,031.42)	(283,824.40)	(3,694,954.19)	(3,530,164.52)	(3,694,954.19)	(3,530,164.52)
Federal Income Taxes.....	(7,466,924.66)	(11,661,956.52)	27,439,817.50	22,700,819.36	27,439,817.50	22,700,819.36
State Income Taxes.....	(1,252,081.95)	(826,740.68)	9,971,421.63	5,404,749.93	9,971,421.63	5,404,749.93
Deferred Federal Income Taxes - Net.....	9,810,568.06	15,574,709.43	15,753,334.76	22,214,148.77	15,753,334.76	22,214,148.77
Deferred State Income Taxes - Net.....	1,481,180.61	1,495,084.12	(3,637,605.84)	949,927.37	(3,637,605.84)	949,927.37
Property and Other Taxes.....	1,887,841.14	1,328,495.13	21,610,184.28	17,193,677.85	21,610,184.28	17,193,677.85
Investment Tax Credit.....	-	-	-	-	-	-
Amortization of Investment Tax Credit.....	(224,752.00)	(196,421.00)	(2,670,412.00)	(2,357,054.00)	(2,670,412.00)	(2,357,054.00)
Loss (Gain) from Disposition of Allowances.....	-	-	(2,577.94)	(34,460.14)	(2,577.94)	(34,460.14)
Accretion Expense.....	135,072.84	136,995.59	1,632,808.45	2,692,840.58	1,632,808.45	2,692,840.58
Total Electric Operating Expense and Taxes.....	77,175,827.78	81,656,474.47	916,746,946.20	882,272,566.38	916,746,946.20	882,272,566.38
Net Operating Income - Electric.....	\$ 7,626,127.04	\$ 12,094,972.87	\$ 143,003,357.29	\$ 133,339,000.59	\$ 143,003,357.29	\$ 133,339,000.59

January 26, 2012

Louisville Gas and Electric Company
Gas Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 27,695,232.95	\$ 37,817,301.47	\$ 194,841,842.07	\$ 193,160,455.24	\$ 194,841,842.07	\$ 193,160,455.24
Commercial Sales.....	9,315,998.25	13,840,902.51	71,061,037.80	72,232,059.88	71,061,037.80	72,232,059.88
Industrial Sales.....	756,066.82	1,213,822.75	7,457,092.83	8,200,636.78	7,457,092.83	8,200,636.78
Other Sales to Public Authorities.....	1,814,968.25	2,523,633.54	12,019,051.69	11,807,097.67	12,019,051.69	11,807,097.67
Total Gas Revenue - Ultimate Customers.....	39,582,266.27	55,395,660.27	285,379,024.39	285,400,249.57	285,379,024.39	285,400,249.57
Sales for Resale.....	-	-	1,910,239.96	1,026,011.78	1,910,239.96	1,026,011.78
Interdepartmental Sales.....	563,901.71	653,014.41	7,246,860.81	5,895,064.38	7,246,860.81	5,895,064.38
Late Charge Payments.....	259,770.05	328,914.52	2,815,529.05	3,109,202.50	2,815,529.05	3,109,202.50
Transportation Revenue.....	664,629.46	897,722.96	6,915,811.74	7,112,202.70	6,915,811.74	7,112,202.70
Miscellaneous Service Revenue.....	6,384.06	3,314.00	91,029.96	93,977.00	91,029.96	93,977.00
Rent from Gas Property.....	17,271.91	15,170.51	206,285.26	302,137.48	206,285.26	302,137.48
Other Gas Revenue.....	435.00	435.00	9,640.65	8,510.47	9,640.65	8,510.47
Total Gas Operating Revenues.....	41,094,658.46	57,294,231.67	304,574,421.82	302,947,355.88	304,574,421.82	302,947,355.88
Purchased Gas.....	11,767,843.22	28,953,081.46	156,769,919.71	175,021,996.60	156,769,919.71	175,021,996.60
Other Operation Expenses.....	126,014.25	129,022.03	765,945.62	736,672.51	765,945.62	736,672.51
Gas from Storage.....	9,181,770.58	11,099,501.98	59,838,142.45	56,983,855.16	59,838,142.45	56,983,855.16
Gas to Storage - Credit.....	(28,189.77)	(2,084,682.16)	(55,399,464.96)	(63,075,768.33)	(55,399,464.96)	(63,075,768.33)
Other Credits.....	(113,263.06)	(87,139.50)	(734,189.67)	(640,315.18)	(734,189.67)	(640,315.18)
Gas Used in Electric Generation - Credit.....	-	(8,713.11)	(4,727.45)	(22,832.71)	(4,727.45)	(22,832.71)
Total Gas Supply Expenses.....	20,934,175.22	38,001,070.70	161,235,625.70	169,003,608.05	161,235,625.70	169,003,608.05
Operation Expenses.....	720,810.01	878,179.13	7,116,382.75	7,105,035.40	7,116,382.75	7,105,035.40
Maintenance.....	174,336.51	251,056.33	3,064,527.46	2,677,220.91	3,064,527.46	2,677,220.91
Rents.....	3,984.66	1,419.65	87,608.99	87,670.43	87,608.99	87,670.43
Total Storage Expenses.....	899,131.18	1,130,655.11	10,268,519.20	9,869,926.74	10,268,519.20	9,869,926.74
Operation Expenses.....	44,592.94	232,045.18	639,474.12	835,280.41	639,474.12	835,280.41
Maintenance.....	95,577.08	200,004.26	1,226,761.61	846,473.17	1,226,761.61	846,473.17
Rents.....	52.50	-	6,220.22	6,196.31	6,220.22	6,196.31
Total Transmission Expenses.....	\$ 140,222.52	\$ 432,049.44	\$ 1,872,455.95	\$ 1,687,949.89	\$ 1,872,455.95	\$ 1,687,949.89

Louisville Gas and Electric Company
Gas Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Operation Expenses.....	\$ 779,519.29	\$ 866,080.09	\$ 8,982,834.94	\$ 8,049,315.19	\$ 8,982,834.94	\$ 8,049,315.19
Maintenance.....	1,343,901.17	1,321,421.58	12,225,069.87	10,885,511.70	12,225,069.87	10,885,511.70
Rents.....	35.00	-	10,529.04	9,945.64	10,529.04	9,945.64
Total Distribution Expenses	2,123,455.46	2,187,501.67	21,218,433.85	18,944,772.53	21,218,433.85	18,944,772.53
Total Supply, Storage, Transmission, and Distr Expenses..	24,096,984.38	41,751,276.92	194,595,034.70	199,506,257.21	194,595,034.70	199,506,257.21
Provision for Uncollectible Accounts.....	61,789.83	102,303.42	1,025,501.60	1,445,162.65	1,025,501.60	1,445,162.65
Other Customer Accounts Expenses.....	562,215.85	691,883.73	7,128,854.87	7,089,532.12	7,128,854.87	7,089,532.12
Total Customer Accounts Expenses.....	624,005.68	794,187.15	8,154,356.47	8,534,694.77	8,154,356.47	8,534,694.77
Total Customer Service and Information Expenses.....	199,582.63	360,069.09	2,474,819.25	3,796,616.81	2,474,819.25	3,796,616.81
Total Sales Expenses.....	64.69	1,090.63	8,365.15	13,309.96	8,365.15	13,309.96
Other Administrative and General Expenses.....	1,291,114.78	1,448,550.04	16,855,126.79	15,511,176.83	16,855,126.79	15,511,176.83
Maintenance	284,645.15	311,889.42	3,607,621.68	3,133,872.67	3,607,621.68	3,133,872.67
Rents	33,470.96	32,841.30	391,314.16	370,258.51	391,314.16	370,258.51
Total Administrative and General Expenses	1,609,230.89	1,793,280.76	20,854,062.63	19,015,308.01	20,854,062.63	19,015,308.01
Total Operation Expenses.....	24,631,408.36	42,615,532.96	205,962,657.58	213,323,108.31	205,962,657.58	213,323,108.31
Total Maintenance Expenses.....	1,898,459.91	2,084,371.59	20,123,980.62	17,543,078.45	20,123,980.62	17,543,078.45
Total Gas Operating Expenses.....	26,529,868.27	44,699,904.55	226,086,638.20	230,866,186.76	226,086,638.20	230,866,186.76
Depreciation.....	1,706,539.55	1,581,435.37	20,052,940.91	19,251,898.14	20,052,940.91	19,251,898.14
Depreciation for Asset Retirement Costs.....	54,449.93	44,662.11	1,023,455.33	148,301.85	1,023,455.33	148,301.85
Amortization Expense.....	202,823.59	171,210.19	2,358,704.58	2,086,286.97	2,358,704.58	2,086,286.97
Regulatory Credits.....	(151,078.59)	(125,519.12)	(2,035,131.50)	(739,566.93)	(2,035,131.50)	(739,566.93)
Federal Income Taxes.....	(94,260.76)	5,583,040.67	(15,476,967.05)	6,173,787.82	(15,476,967.05)	6,173,787.82
State Income Taxes.....	283,708.18	1,053,165.67	(1,705,888.96)	642,417.50	(1,705,888.96)	642,417.50
Deferred Federal Income Taxes - Net.....	3,841,610.97	(2,393,112.17)	36,470,389.60	5,452,856.23	36,470,389.60	5,452,856.23
Deferred State Income Taxes - Net.....	386,970.20	(492,157.96)	5,649,281.19	1,420,097.07	5,649,281.19	1,420,097.07
Property and Other Taxes.....	550,195.41	340,817.47	6,511,399.36	5,377,945.97	6,511,399.36	5,377,945.97
Amortization of Investment Tax Credit.....	(11,273.00)	(12,060.00)	(135,320.00)	(144,720.00)	(135,320.00)	(144,720.00)
Accretion Expense.....	96,628.66	80,731.51	1,011,676.17	591,265.05	1,011,676.17	591,265.05
Total Gas Operating Expenses and Taxes	33,396,182.41	50,532,118.29	279,811,177.83	271,126,756.43	279,811,177.83	271,126,756.43
Net Operating Income - Gas.....	\$ 7,698,476.05	\$ 6,762,113.38	\$ 24,763,243.99	\$ 31,820,599.45	\$ 24,763,243.99	\$ 31,820,599.45

January 26, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Eliminate Unbilled Revenues

	<u>Electric</u>	<u>Gas</u>
1. Unbilled revenues at December 31, 2010	\$ 49,653,000	\$ 28,521,776
2. Unbilled revenues at December 31, 2011	<u>(41,650,000)</u>	<u>(20,914,344)</u>
3. Increase/(Decrease) in book revenues due to unbilled revenues	<u>\$ 8,003,000</u>	<u>\$ 7,607,432</u>

Louisville Gas & Electric and Kentucky Utilities Companies
 Revenue Component Variances
 12 Months Ending December 2011 vs. Budget
 (in whole dollars, except for price per unit data)

LG&E (Electric)

TOTAL Ultimate Consumers:
 Actual
 Budget.....
 Variance.....
 Dollars per MWH - Actual.....
 Dollars per MWH - Budget.....

KWH	BILLED REVENUES												Total Revenue	\$/MWH
	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue			
11,783,098,136	\$ 51,076,459	\$ 174,660,909	\$ 3,901,524	\$ 373,326,373	\$ 4,464,548	\$ 252,114,287	\$ 32,432,840	\$ 15,455,244	\$ 6,678,264	\$ 3,284	\$ 537	\$ 914,114,269	\$ 77.58	
12,270,114,217	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 385,387,674	\$ 4,517,887	\$ 252,518,951	\$ 6,611,859	\$ 24,975,110	\$ 7,937,320	\$ -	\$ -	\$ 905,334,749	\$ 73.78	
(487,016,081)	\$ 544,989	\$ 7,791,606	\$ (2,083,651)	\$ (12,061,301)	\$ (53,339)	\$ (404,664)	\$ 25,820,981	\$ (9,519,866)	\$ (1,259,056)	\$ 3,284	\$ 537	\$ 8,779,520	\$ 3.79	
	\$ 4.33	\$ 14.82	\$ 0.33	\$ 31.68	\$ 0.38	\$ 21.40	\$ 2.75	\$ 1.31	\$ 0.57	\$ -	\$ -	\$ 77.58		
	\$ 4.12	\$ 13.60	\$ 0.49	\$ 31.41	\$ 0.37	\$ 20.58	\$ 0.54	\$ 2.04	\$ 0.65	\$ -	\$ -	\$ 73.78		

TOTAL Ultimate Consumers:
 Actual: Unbilled Accrual.....
 Actual: Unbilled Reversal.....
 Actual: Other Accrued Revenues.....
 Actual: Net Accrued Revenues.....
 Budget: Unbilled Accrual.....
 Budget: Unbilled Reversal.....
 Budget: Other Accrued Revs.....
 Budget: Net Accrued Revs.....

KWH	ACCRUED REVENUES												Total Revenue	\$/MWH
	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue			
539,434,000	\$ 2,395,000	\$ 8,098,000	\$ 189,000	\$ 16,557,000	\$ 187,000	\$ 11,944,000	\$ 1,464,000	\$ 665,000	\$ 151,000	\$ -	\$ -	\$ 41,650,000	\$ 77.21	
(681,477,785)	\$ (2,347,000)	\$ (9,387,000)	\$ (221,000)	\$ (20,631,000)	\$ (233,000)	\$ (14,010,000)	\$ (1,950,000)	\$ (789,000)	\$ (85,000)	\$ -	\$ -	\$ (49,653,000)	\$ 72.86	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,000	\$ 1,763,034	\$ (5,039,496)	\$ -	\$ -	\$ (2,689,462)	\$ -	
(142,043,785)	\$ 48,000	\$ (1,289,000)	\$ (32,000)	\$ (4,074,000)	\$ (46,000)	\$ (2,066,000)	\$ (79,000)	\$ 1,639,034	\$ (4,973,496)	\$ -	\$ -	\$ (10,872,462)	\$ 76.54	
544,329,942	\$ -	\$ -	\$ -	\$ 17,368,177	\$ 206,812	\$ 11,202,310	\$ (429,415)	\$ 1,188,666	\$ 681,686	\$ -	\$ -	\$ 30,218,235	\$ 55.51	
(527,216,760)	\$ -	\$ -	\$ -	\$ (18,372,122)	\$ (195,168)	\$ (10,650,121)	\$ 304,968	\$ (1,143,625)	\$ (772,423)	\$ -	\$ -	\$ (31,028,491)	\$ 58.85	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
17,113,182	\$ -	\$ -	\$ -	\$ (1,003,945)	\$ 11,644	\$ 352,189	\$ (124,447)	\$ 45,041	\$ (90,737)	\$ -	\$ -	\$ (810,256)	\$ (47.35)	

TOTAL Ultimate Consumers:
 Actual.....
 Budget.....
 Variance.....
 Dollars per MWH - Actual.....
 Dollars per MWH - Budget.....

KWH	OPERATING REVENUES												Total Revenue	\$/MWH
	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue			
11,641,054,351	\$ 51,124,459	\$ 173,371,909	\$ 3,869,524	\$ 369,252,373	\$ 4,418,548	\$ 250,048,287	\$ 32,353,840	\$ 17,094,278	\$ 1,704,768	\$ 3,284	\$ 537	\$ 903,241,807	\$ 77.59	
12,287,227,399	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 384,383,729	\$ 4,529,531	\$ 252,871,140	\$ 6,487,412	\$ 25,020,151	\$ 7,846,583	\$ -	\$ -	\$ 904,524,493	\$ 73.62	
(646,173,048)	\$ 592,989	\$ 6,502,606	\$ (2,115,651)	\$ (15,131,355)	\$ (110,984)	\$ (2,822,853)	\$ 25,866,428	\$ (7,925,873)	\$ (6,141,815)	\$ 3,284	\$ 537	\$ (1,282,687)	\$ 3.98	
	\$ 4.39	\$ 14.89	\$ 0.33	\$ 31.72	\$ 0.38	\$ 21.48	\$ 2.78	\$ 1.47	\$ 0.15	\$ -	\$ -	\$ 77.59		
	\$ 4.11	\$ 13.58	\$ 0.49	\$ 31.28	\$ 0.37	\$ 20.58	\$ 0.53	\$ 2.04	\$ 0.64	\$ -	\$ -	\$ 73.62		

LG&E (Gas)

TOTAL Retail:
 Actual
 Budget.....
 Variance.....
 Dollars per MCF - Actual.....
 Dollars per MCF - Budget.....
TOTAL Inter-segment:
 Actual.....
 Budget.....
 Variance.....
 Dollars per MCF - Actual.....
 Dollars per MCF - Budget.....
TOTAL Transportation:
 Actual.....
 Budget.....
 Variance.....
 Dollars/MCF Transportd. - Actual.....
 Dollars/MCF Transportd. - Budget.....

MCF	BILLED REVENUES							Total Revenue	\$/MCF
	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue			
31,404,188	\$ 55,053,669	\$ 64,976,296	\$ 3,215,473	\$ 168,616,852	\$ 715,728	\$ -	\$ 292,578,018	\$ 9.32	
31,402,330	\$ 55,189,127	\$ 65,251,939	\$ 1,650,297	\$ 213,879,148	\$ -	\$ -	\$ 335,970,511	\$ 10.70	
1,658	\$ (135,458)	\$ (275,643)	\$ 1,565,176	\$ (45,262,296)	\$ 715,728	\$ -	\$ (43,392,493)	\$ (1.38)	
	\$ 1.75	\$ 2.07	\$ 0.10	\$ 5.37	\$ 0.02	\$ -	\$ 9.32		
	\$ 1.76	\$ 2.08	\$ 0.05	\$ 6.81	\$ -	\$ -	\$ 10.70		
1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
	\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50	
11,264,363	\$ -	\$ 5,013,538	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46	
(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04	
	\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50		
	\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46		
43,714,038	\$ 55,067,121	\$ 75,072,818	\$ 3,222,760	\$ 172,662,263	\$ 715,728	\$ -	\$ 306,740,690	\$ 7.02	
42,666,693	\$ 55,189,127	\$ 70,285,475	\$ 1,650,297	\$ 214,040,593	\$ -	\$ -	\$ 341,145,492	\$ 8.00	
1,047,345	\$ (122,006)	\$ 4,807,343	\$ 1,572,463	\$ (41,378,330)	\$ 715,728	\$ -	\$ (34,404,802)	\$ (0.98)	
	\$ 1.26	\$ 1.72	\$ 0.07	\$ 3.85	\$ 0.02	\$ -	\$ 7.02		
	\$ 1.29	\$ 1.65	\$ 0.04	\$ 5.02	\$ -	\$ -	\$ 8.00		

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Gas) (continued)

TOTAL Retail:
Actual: Unbilled Accrual
Actual: Unbilled Reversal
Actual: Other Accrued Revenues
Actual: Net Accrued Revenues
Budget: Unbilled Accrual
Budget: Unbilled Reversal
Budget: Other Accrued Revs.
Budget: Net Accrued Revs.

ACCRUED REVENUES								Total Revenue	\$/MCF
MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue			
2,592,628	\$ 58,056	\$ 5,446,021	\$ 443,000	\$ 13,413,267	\$ 1,554,000	\$ -		\$ 20,914,344	\$ 8.07
(4,039,200)	\$ (35,000)	\$ (8,479,000)	\$ (358,000)	\$ (21,789,776)	\$ 2,140,000	\$ -		\$ (28,521,776)	\$ 7.06
-	\$ -	\$ -	\$ 408,439	\$ -	\$ -	\$ -		\$ 408,439	\$ -
(1,446,572)	\$ 23,056	\$ (3,032,979)	\$ 493,439	\$ (8,376,509)	\$ 3,694,000	\$ -		\$ (7,198,993)	\$ 4.98
16,780,813	\$ -	\$ 35,068,769	\$ 881,848	\$ 114,100,330	\$ -	\$ -		\$ 150,050,947	\$ 8.94
(16,698,163)	\$ -	\$ (34,523,400)	\$ (887,340)	\$ (114,970,668)	\$ -	\$ -		\$ (150,381,408)	\$ 9.01
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
82,650	\$ -	\$ 545,369	\$ (5,492)	\$ (870,338)	\$ -	\$ -		\$ (330,461)	\$ (4.00)

TOTAL Retail:
Actual
Budget
Variance
Dollars per MCF - Actual
Dollars per MCF - Budget
TOTAL Inter-segment:
Actual
Budget
Variance
Dollars per MCF - Actual
Dollars per MCF - Budget
TOTAL Transportation:
Actual
Budget
Variance
Dollars/MCF Transportd. - Actual
Dollars/MCF Transportd. - Budget
TOTAL Retail, Inter-segment and Transport:
Actual
Budget
Variance
Dollars/MCF Sold - Actual
Dollars/MCF Sold - Budget

OPERATING REVENUES								Total Revenue	\$/MCF
MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue			
29,957,616	\$ 55,076,725	\$ 61,943,317	\$ 3,708,911	\$ 160,240,344	\$ 4,409,728	\$ -		\$ 285,379,024	\$ 9.53
31,484,980	\$ 55,189,127	\$ 65,797,308	\$ 1,644,805	\$ 213,008,810	\$ -	\$ -		\$ 335,640,050	\$ 10.66
(1,527,364)	\$ (112,402)	\$ (3,853,991)	\$ 2,064,106	\$ (52,768,466)	\$ 4,409,728	\$ -		\$ (50,261,026)	\$ (1.13)
	\$ 1.84	\$ 2.07	\$ 0.12	\$ 5.35	\$ 0.15	\$ -		\$ 9.53	
	\$ 1.75	\$ 2.09	\$ 0.05	\$ 6.77	\$ -	\$ -		\$ 10.66	
1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -		\$ 8,534,635	\$ 8.00
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -		\$ 8,534,635	\$ 8.00
	\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -		\$ 8.00	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -		\$ 5,628,038	\$ 0.50
11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -		\$ 5,174,981	\$ 0.46
(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -		\$ 453,057	\$ 0.04
	\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -		\$ 0.50	
	\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -		\$ 0.46	
42,267,466	\$ 55,090,177	\$ 72,039,839	\$ 3,716,199	\$ 164,285,754	\$ 4,409,728	\$ -		\$ 299,541,697	\$ 7.09
42,749,343	\$ 55,189,127	\$ 70,810,844	\$ 1,644,805	\$ 213,170,255	\$ -	\$ -		\$ 340,815,031	\$ 7.97
(481,877)	\$ (98,950)	\$ 1,228,995	\$ 2,071,394	\$ (48,884,501)	\$ 4,409,728	\$ -		\$ (41,273,334)	\$ (0.89)
	\$ 1.30	\$ 1.70	\$ 0.09	\$ 3.89	\$ 0.10	\$ -		\$ 7.09	
	\$ 1.29	\$ 1.66	\$ 0.04	\$ 4.99	\$ -	\$ -		\$ 7.97	

LOUISVILLE GAS AND ELECTRIC COMPANY

To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended December 31, 2011

Expense Month	Electric Revenue Form A Page 4 of 5 Line 3	Electric Expense Form A* Page 4 of 5 Line 8
Jan-11	3,185,569	547,114
Feb-11	2,117,737	1,933,926
Mar-11	485,048	2,064,616
Apr-11	1,854,801	3,326,868
May-11	1,974,419	3,988,638
Jun-11	4,566,219	3,785,239
Jul-11	4,801,258	3,166,375
Aug-11	4,512,430	2,719,617
Sep-11	2,611,672	2,776,413
Oct-11	1,941,192	1,891,077
Nov-11	2,373,057	2,197,315
Dec-11	1,909,620	2,851,922
Total	\$ 32,333,022	\$ 31,249,120
Adjustment	\$ (32,333,022)	\$ (31,249,120)

* NOTE : Expenses are recovered in the second succeeding month. For example,
January 2011 would be reflected in March 2011.

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : January 2011

1.	Last FAC Rate Billed		0.00292
2.	KWH Billed at Above Rate		<u>1,090,948,233</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 3,185,569</u>
4.	KWH Used to Determine Last FAC Rate		852,496,320
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>852,496,320</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,489,289</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 696,280</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,032,290,004</u>
11.	Kentucky Jurisdictional Sales		<u>1,032,290,004</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 696,280</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2011

1.	Last FAC Rate Billed		0.00241
2.	KWH Billed at Above Rate		<u>878,729,015</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,117,737</u>
4.	KWH Used to Determine Last FAC Rate		1,049,116,985
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,049,116,985</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,528,372</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (410,635)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>863,178,679</u>
11.	Kentucky Jurisdictional Sales		<u>863,178,679</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (410,635)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : March 2011

1.	Last FAC Rate Billed		0.00053
2.	KWH Billed at Above Rate		<u>915,185,368</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 485,048</u>
4.	KWH Used to Determine Last FAC Rate		1,032,290,004
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,032,290,004</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 547,114</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (62,066)</u>
10.	Over Recovery Correction*		<u>\$ 60,889</u>
11.	Total Adjusted Over or (Under) Recovery	(Line 9 + 10)	<u>\$ (1,177)</u>
12.	Total Sales "Sm" (From Page 3 of 5)		<u>889,920,492</u>
13.	Kentucky Jurisdictional Sales		<u>889,920,492</u>
14.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
15.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,177)</u> To Page 2, Line D

*Over Recovery due to the over-statement of line losses for May, Jun, Sep, Oct, Nov, and Dec 2010 and Jan 2011. Losses were over-stated because the calculation did not include the partners' share (IMEA and IMPA) of the monthly test energy produced by Trimble County 2 and the effect of the Trimble County 2 test energy sold Off System during that time period.

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : April 2011

		As Billed	As Corrected (Note 1)
1.	Last FAC Rate Billed	0.00225	0.00224
2.	KWH Billed at Above Rate	<u>828,036,132</u>	<u>828,036,132</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ 1,863,081</u>	<u>\$ 1,854,801</u>
4.	KWH Used to Determine Last FAC Rate	863,178,679	863,359,867
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>0</u>	<u>0</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>863,178,679</u>	<u>863,359,867</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)	-	-
8.	Recoverable FAC Revenue/(Refund) (Line 1 x Line 6)	<u>\$ 1,942,152</u>	<u>\$ 1,933,926</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ (79,071)</u>	<u>\$ (79,125)</u>
10.	Total Sales "Sm" (From Page 3 of 5)	<u>795,901,340</u>	<u>795,901,340</u>
11.	Kentucky Jurisdictional Sales	<u>795,901,340</u>	<u>795,901,340</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.00000000</u>	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ (79,071)</u>	<u>\$ (79,125)</u>

To Page 2, Line D

Note 1 - Corrected February 2011 Last FAC Rate Billed (Line 1) and KWH Used to Determine Last FAC Rate (Lin 4) can be found on Exhibit 1, page 2 of 3, as attached to the March 2011 Form A filed on April 19, 2011.

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : May 2011

1.	Last FAC Rate Billed		0.00232
2.	KWH Billed at Above Rate		<u>851,042,663</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,974,419</u>
4.	KWH Used to Determine Last FAC Rate		889,920,492
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>889,920,492</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,064,616</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (90,197)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>958,807,304</u>
11.	Kentucky Jurisdictional Sales		<u>958,807,304</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (90,197)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : June 2011

1.	Last FAC Rate Billed		0.00418
2.	KWH Billed at Above Rate		<u>1,092,396,993</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 4,566,219</u>
4.	KWH Used to Determine Last FAC Rate		795,901,340
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>795,901,340</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,326,868</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,239,351</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,133,304,954</u>
11.	Kentucky Jurisdictional Sales		<u>1,133,304,954</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,239,351</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : July 2011

1.	Last FAC Rate Billed		0.00416
2.	KWH Billed at Above Rate		<u>1,154,148,472</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 4,801,258</u>
4.	KWH Used to Determine Last FAC Rate		958,807,304
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>958,807,304</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,988,638</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 812,620</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,353,151,754</u>
11.	Kentucky Jurisdictional Sales		<u>1,353,151,754</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 812,620</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : August 2011

1.	Last FAC Rate Billed		0.00334
2.	KWH Billed at Above Rate		<u>1,351,026,921</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 4,512,430</u>
4.	KWH Used to Determine Last FAC Rate		1,133,304,954
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,133,304,954</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,785,239</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 727,191</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,230,596,112</u>
11.	Kentucky Jurisdictional Sales		<u>1,230,596,112</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 727,191</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : September 2011

1.	Last FAC Rate Billed		0.00234
2.	KWH Billed at Above Rate		<u>1,116,099,061</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,611,672</u>
4.	KWH Used to Determine Last FAC Rate		1,353,151,754
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,353,151,754</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,166,375</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (554,703)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>904,369,059</u>
11.	Kentucky Jurisdictional Sales		<u>904,369,059</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (554,703)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : October 2011

1.	Last FAC Rate Billed		0.00221
2.	KWH Billed at Above Rate		<u>878,367,270</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,941,192</u>
4.	KWH Used to Determine Last FAC Rate		1,230,596,112
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,230,596,112</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,719,617</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (778,425)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>844,230,988</u>
11.	Kentucky Jurisdictional Sales		<u>844,230,988</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (778,425)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : November 2011

1.	Last FAC Rate Billed		0.00307
2.	KWH Billed at Above Rate		<u>772,982,759</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,373,057</u>
4.	KWH Used to Determine Last FAC Rate		904,369,059
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>904,369,059</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,776,413</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (403,356)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>829,175,296</u>
11.	Kentucky Jurisdictional Sales		<u>829,175,296</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (403,356)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : December 2011

1.	Last FAC Rate Billed		0.00224
2.	KWH Billed at Above Rate		<u>852,508,721</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,909,620</u>
4.	KWH Used to Determine Last FAC Rate		844,230,988
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>844,230,988</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,891,077</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 18,543</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>911,157,258</u>
11.	Kentucky Jurisdictional Sales		<u>911,157,258</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 18,543</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : January 2012

1.	Last FAC Rate Billed		0.00265
2.	KWH Billed at Above Rate		<u>975,042,588</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,583,863</u>
4.	KWH Used to Determine Last FAC Rate		829,175,296
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>829,175,296</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,197,315</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 386,548</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>938,911,303</u>
11.	Kentucky Jurisdictional Sales		<u>938,911,303</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 386,548</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : February 2012

1.	Last FAC Rate Billed		0.00313
2.	KWH Billed at Above Rate		<u>837,554,049</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,621,544</u>
4.	KWH Used to Determine Last FAC Rate		911,157,258
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>911,157,258</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,851,922</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (230,378)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>849,676,758</u>
11.	Kentucky Jurisdictional Sales		<u>849,676,758</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (230,378)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Adjust Base Rates and FAC to Reflect a Full Year of the FAC Roll-In
For the Twelve Months Ended December 31, 2011**

	<u>Electric</u>	<u>Gas</u>
1. Adjustment to base rate revenues to reflect a full year of the FAC Roll-In (a)	8,868,312	-
2. Adjustment to FAC revenues to reflect a full year of the FAC Roll-In (a)	(12,906,803)	-
3. Net adjustment	<u>\$ (4,038,491)</u>	<u>\$ -</u>

(a) FAC roll-in pursuant to Commission's Order dated May 31, 2011 in Case No. 2010-00493.

LOUISVILLE GAS AND ELECTRIC COMPANY
 Base Revenue Changes Due To Fuel Adjustment Clause Rollin - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
	Base Rate Actual Billings (excluding Poles and Bases included in Lighting Revenue -- not impacted by FAC rollin)												
Residential Service (except VFD)	\$ 33,120,757	\$ 26,587,038	\$ 24,089,592	\$ 21,632,729	\$ 21,834,319	\$ 32,381,622	\$ 38,770,555	\$ 44,917,320	\$ 34,768,661	\$ 21,173,948	\$ 19,925,618	\$ 24,426,954	\$ 343,629,113
Volunteer Fire Departments (charged at Rate RS)	\$ 2,795	\$ 1,899	\$ 2,032	\$ 2,004	\$ 2,033	\$ 2,604	\$ 2,737	\$ 2,957	\$ 2,649	\$ 2,020	\$ 1,853	\$ 2,150	\$ 27,732
Residential Responsive Pricing	\$ 10,689	\$ 8,399	\$ 6,491	\$ 5,674	\$ 5,683	\$ 8,167	\$ 9,074	\$ 10,179	\$ 7,563	\$ 4,636	\$ 4,319	\$ 6,017	\$ 86,892
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ 402	\$ 330	\$ 174	\$ 124	\$ 140	\$ 1,555
General Service	\$ 4,026,480	\$ 3,420,890	\$ 3,430,738	\$ 3,250,121	\$ 3,238,017	\$ 3,883,630	\$ 4,167,516	\$ 4,623,091	\$ 4,115,902	\$ 3,259,008	\$ 2,989,294	\$ 3,317,968	\$ 43,722,655
General Service Three Phase	\$ 7,501,885	\$ 6,267,697	\$ 6,731,101	\$ 6,019,216	\$ 6,498,600	\$ 7,761,914	\$ 8,434,008	\$ 9,577,785	\$ 8,611,347	\$ 6,665,176	\$ 5,767,304	\$ 6,222,380	\$ 86,058,414
General Service Responsive Pricing	\$ 484	\$ 408	\$ 387	\$ 586	\$ 292	\$ 506	\$ 571	\$ 737	\$ 643	\$ 367	\$ 366	\$ 313	\$ 5,660
General Service Three Phase Responsive Pricing	\$ 565	\$ 122	\$ 318	\$ 453	\$ 227	\$ 620	\$ 990	\$ 1,502	\$ 1,047	\$ 399	\$ 294	\$ 330	\$ 6,866
Power Service -- Secondary	\$ 13,931,101	\$ 12,260,146	\$ 12,799,797	\$ 12,561,700	\$ 13,454,784	\$ 16,043,367	\$ 16,263,307	\$ 17,656,553	\$ 16,605,476	\$ 13,604,401	\$ 12,187,989	\$ 12,119,641	\$ 169,488,262
Power Service -- Primary	\$ 1,151,211	\$ 972,915	\$ 1,132,305	\$ 1,009,688	\$ 2,122,106	\$ 1,745,585	\$ 1,442,114	\$ 1,827,896	\$ 1,439,845	\$ 1,260,786	\$ 1,051,866	\$ 1,120,761	\$ 16,277,080
Industrial Time of Day Secondary Service	\$ 499,293	\$ 506,452	\$ 590,780	\$ 586,422	\$ 586,594	\$ 740,566	\$ 652,510	\$ 762,881	\$ 798,096	\$ 774,285	\$ 719,466	\$ 700,828	\$ 7,918,174
Commercial Time of Day Secondary Service	\$ 2,010,186	\$ 1,949,506	\$ 2,033,257	\$ 1,964,125	\$ 2,092,363	\$ 2,307,584	\$ 2,393,603	\$ 2,594,980	\$ 2,470,908	\$ 2,189,103	\$ 1,990,358	\$ 2,046,583	\$ 26,042,556
Industrial Service -- Primary	\$ 7,807,209	\$ 5,894,840	\$ 8,243,958	\$ 6,429,676	\$ 6,231,894	\$ 7,651,206	\$ 7,026,229	\$ 9,231,612	\$ 7,540,047	\$ 6,841,493	\$ 6,507,327	\$ 6,107,673	\$ 85,513,163
Commercial Time of Day Primary Service	\$ 1,747,234	\$ 1,643,561	\$ 1,818,517	\$ 1,836,935	\$ 1,698,782	\$ 2,116,914	\$ 2,037,057	\$ 2,412,830	\$ 2,367,088	\$ 2,223,841	\$ 1,599,878	\$ 1,875,336	\$ 23,377,973
Retail Transmission Service	\$ 1,867,962	\$ 1,577,382	\$ 1,681,276	\$ 2,374,279	\$ 2,537,432	\$ 2,590,860	\$ 2,326,853	\$ 2,440,964	\$ 1,612,857	\$ 2,926,600	\$ 2,303,496	\$ 2,359,613	\$ 26,599,576
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 1,021,584	\$ 1,015,291	\$ 917,073	\$ 869,396	\$ 806,636	\$ 923,539	\$ 1,140,215	\$ 1,301,195	\$ 1,210,689	\$ 1,718,971	\$ 741,877	\$ 834,333	\$ 12,500,800
Louisville Water Company Special Contract	\$ 253,730	\$ 216,107	\$ 114,133	\$ 214,171	\$ 313,587	\$ 240,389	\$ 250,042	\$ 257,351	\$ 253,710	\$ 219,883	\$ 214,996	\$ 233,891	\$ 2,781,988
Lighting Service	\$ 21,142	\$ 17,061	\$ 17,906	\$ 15,105	\$ 15,847	\$ 13,025	\$ 12,973	\$ 14,131	\$ 20,186	\$ 16,844	\$ 18,777	\$ 23,278	\$ 206,274
Traffic Lighting Service	\$ 22,950	\$ 20,183	\$ 20,787	\$ 21,155	\$ 19,846	\$ 20,657	\$ 19,846	\$ 20,084	\$ 21,048	\$ 20,673	\$ 20,538	\$ 17,536	\$ 245,305
Restricted Lighting Service	\$ 1,151,453	\$ 1,096,913	\$ 1,125,573	\$ 1,054,309	\$ 1,175,893	\$ 1,127,347	\$ 1,105,395	\$ 1,146,095	\$ 1,120,847	\$ 1,135,616	\$ 1,116,222	\$ 1,093,872	\$ 13,449,536
Lighting Service	\$ 232,970	\$ 317,737	\$ 398,256	\$ 244,394	\$ 266,195	\$ 235,174	\$ 235,920	\$ 236,459	\$ 259,102	\$ 247,383	\$ 255,295	\$ 255,694	\$ 3,184,579
Dark Sky Friendly Lighting	\$ -	\$ -	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 1,578
	\$ 76,381,681	\$ 63,774,548	\$ 65,154,435	\$ 60,092,296	\$ 62,901,289	\$ 79,795,432	\$ 86,292,057	\$ 99,037,164	\$ 83,228,202	\$ 64,285,765	\$ 57,417,417	\$ 62,765,447	\$ 861,125,732

LOUISVILLE GAS AND ELECTRIC COMPANY
 Base Revenue Changes Due To Fuel Adjustment Clause Rollin - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Base Rate Billings Reflecting Fuel Adjustment Clause Roll-in For A Full Year													
Residential Service (except VFD)	\$ 33,789,745	\$ 27,112,881	\$ 24,558,895	\$ 22,047,828	\$ 22,253,846	\$ 33,035,387	\$ 38,770,555	\$ 44,917,320	\$ 34,768,661	\$ 21,173,948	\$ 19,925,618	\$ 24,426,954	\$ 346,781,638
Volunteer Fire Departments (charged at Rate RS)	\$ 2,857	\$ 1,941	\$ 2,077	\$ 2,047	\$ 2,077	\$ 2,661	\$ 2,737	\$ 2,957	\$ 2,649	\$ 2,020	\$ 1,853	\$ 2,150	\$ 28,024
Residential Responsive Pricing	\$ 10,933	\$ 8,585	\$ 6,628	\$ 5,791	\$ 5,799	\$ 8,341	\$ 9,074	\$ 10,179	\$ 7,563	\$ 4,636	\$ 4,319	\$ 6,017	\$ 87,866
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ 402	\$ 330	\$ 174	\$ 124	\$ 140	\$ 1,555
General Service	\$ 4,095,104	\$ 3,478,105	\$ 3,487,833	\$ 3,303,909	\$ 3,291,514	\$ 3,949,618	\$ 4,167,516	\$ 4,623,091	\$ 4,115,902	\$ 3,259,008	\$ 2,989,294	\$ 3,317,968	\$ 44,078,863
General Service Three Phase	\$ 7,638,678	\$ 6,380,946	\$ 6,853,006	\$ 6,127,477	\$ 6,616,233	\$ 7,903,826	\$ 8,434,008	\$ 9,577,785	\$ 8,611,347	\$ 6,665,176	\$ 5,767,304	\$ 6,222,380	\$ 86,798,168
General Service Responsive Pricing	\$ 491	\$ 414	\$ 392	\$ 595	\$ 297	\$ 514	\$ 571	\$ 737	\$ 643	\$ 367	\$ 366	\$ 313	\$ 5,700
General Service Three Phase Responsive Pricing	\$ 575	\$ 124	\$ 323	\$ 460	\$ 231	\$ 631	\$ 990	\$ 1,502	\$ 1,047	\$ 399	\$ 294	\$ 330	\$ 6,904
Power Service -- Secondary	\$ 14,264,927	\$ 12,535,967	\$ 13,091,810	\$ 12,842,780	\$ 13,726,452	\$ 16,386,340	\$ 16,263,307	\$ 17,656,553	\$ 16,605,476	\$ 13,604,401	\$ 12,187,989	\$ 12,119,641	\$ 171,285,645
Power Service -- Primary	\$ 1,182,635	\$ 998,319	\$ 1,160,496	\$ 1,033,831	\$ 2,174,600	\$ 1,777,394	\$ 1,442,114	\$ 1,827,896	\$ 1,439,845	\$ 1,260,786	\$ 1,051,866	\$ 1,120,761	\$ 16,470,543
Industrial Time of Day Secondary Service	\$ 511,942	\$ 518,556	\$ 605,337	\$ 600,709	\$ 600,545	\$ 759,100	\$ 652,510	\$ 762,881	\$ 798,096	\$ 774,285	\$ 719,466	\$ 700,828	\$ 8,004,256
Commercial Time of Day Secondary Service	\$ 2,063,903	\$ 1,999,146	\$ 2,084,597	\$ 2,013,157	\$ 2,144,748	\$ 2,366,047	\$ 2,393,603	\$ 2,594,980	\$ 2,470,908	\$ 2,189,103	\$ 1,990,358	\$ 2,046,583	\$ 26,357,132
Industrial Service -- Primary	\$ 8,050,975	\$ 6,073,030	\$ 8,503,383	\$ 6,622,678	\$ 6,418,266	\$ 7,870,416	\$ 7,026,229	\$ 9,231,612	\$ 7,540,047	\$ 6,841,493	\$ 6,507,327	\$ 6,107,673	\$ 86,793,129
Commercial Time of Day Primary Service	\$ 1,794,408	\$ 1,685,818	\$ 1,864,326	\$ 1,881,680	\$ 1,740,950	\$ 2,171,152	\$ 2,037,057	\$ 2,412,830	\$ 2,367,088	\$ 2,223,841	\$ 1,599,878	\$ 1,875,336	\$ 23,654,364
Retail Transmission Service	\$ 1,922,207	\$ 1,620,865	\$ 1,729,690	\$ 2,441,967	\$ 2,614,676	\$ 2,670,025	\$ 2,326,853	\$ 2,440,964	\$ 1,612,857	\$ 2,926,600	\$ 2,303,496	\$ 2,359,613	\$ 26,969,814
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 1,054,931	\$ 1,048,851	\$ 945,322	\$ 898,183	\$ 832,523	\$ 951,958	\$ 1,140,215	\$ 1,301,195	\$ 1,210,689	\$ 1,718,971	\$ 741,877	\$ 834,333	\$ 12,679,049
Louisville Water Company Special Contract	\$ 262,500	\$ 222,828	\$ 117,801	\$ 220,786	\$ 323,114	\$ 248,417	\$ 250,042	\$ 257,351	\$ 253,710	\$ 219,883	\$ 214,996	\$ 233,891	\$ 2,825,316
Lighting Service	\$ 21,749	\$ 17,551	\$ 18,420	\$ 15,539	\$ 16,302	\$ 13,399	\$ 12,973	\$ 14,131	\$ 20,186	\$ 16,844	\$ 18,777	\$ 23,278	\$ 209,150
Traffic Lighting Service	\$ 23,418	\$ 20,598	\$ 21,204	\$ 21,581	\$ 20,242	\$ 21,071	\$ 19,846	\$ 20,084	\$ 21,048	\$ 20,673	\$ 20,538	\$ 17,536	\$ 247,840
Restricted Lighting Service	\$ 1,163,966	\$ 1,108,963	\$ 1,137,902	\$ 1,065,728	\$ 1,188,790	\$ 1,139,535	\$ 1,105,395	\$ 1,146,095	\$ 1,120,847	\$ 1,135,616	\$ 1,116,222	\$ 1,093,872	\$ 13,522,931
Lighting Service	\$ 232,970	\$ 317,737	\$ 398,256	\$ 244,394	\$ 266,195	\$ 235,174	\$ 235,920	\$ 236,459	\$ 259,102	\$ 247,383	\$ 255,295	\$ 255,694	\$ 3,184,579
Dark Sky Friendly Lighting	\$ -	\$ -	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 1,578
	\$ 78,088,912	\$ 65,151,223	\$ 66,587,858	\$ 61,391,277	\$ 64,237,559	\$ 81,511,163	\$ 86,292,057	\$ 99,037,164	\$ 83,228,202	\$ 64,285,765	\$ 57,417,417	\$ 62,765,447	\$ 869,994,044

LOUISVILLE GAS AND ELECTRIC COMPANY
 Base Revenue Changes Due To Fuel Adjustment Clause Rollin - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Increased Base Rate Billings Reflecting Fuel Adjustment Clause Roll-in for a Full Year													
Residential Service (except VFD)	\$ 668,988	\$ 525,842	\$ 469,303	\$ 415,099	\$ 419,527	\$ 653,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,152,525
Volunteer Fire Departments (charged at Rate RS)	\$ 61	\$ 41	\$ 44	\$ 44	\$ 44	\$ 57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291
Residential Responsive Pricing	\$ 243	\$ 186	\$ 137	\$ 118	\$ 116	\$ 174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 974
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Service	\$ 68,624	\$ 57,215	\$ 57,095	\$ 53,788	\$ 53,497	\$ 65,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,207
General Service Three Phase	\$ 136,793	\$ 113,249	\$ 121,906	\$ 108,261	\$ 117,633	\$ 141,912	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ 739,754
General Service Responsive Pricing	\$ 8	\$ 6	\$ 5	\$ 8	\$ 5	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40
General Service Three Phase Responsive Pricing	\$ 9	\$ 2	\$ 5	\$ 7	\$ 4	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38
Power Service -- Secondary	\$ 333,826	\$ 275,821	\$ 292,013	\$ 281,080	\$ 271,668	\$ 342,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797,382
Power Service -- Primary	\$ 31,424	\$ 25,404	\$ 28,191	\$ 24,142	\$ 52,494	\$ 31,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,464
Industrial Time of Day Secondary Service	\$ 12,649	\$ 12,104	\$ 14,557	\$ 14,287	\$ 13,951	\$ 18,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,082
Commercial Time of Day Secondary Service	\$ 53,717	\$ 49,641	\$ 51,340	\$ 49,032	\$ 52,384	\$ 58,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,576
Industrial Service -- Primary	\$ 243,766	\$ 178,191	\$ 259,425	\$ 193,002	\$ 186,372	\$ 219,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,279,966
Commercial Time of Day Primary Service	\$ 47,174	\$ 42,257	\$ 45,809	\$ 44,745	\$ 42,168	\$ 54,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,390
Retail Transmission Service	\$ 54,245	\$ 43,483	\$ 48,414	\$ 67,687	\$ 77,244	\$ 79,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,238
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 33,347	\$ 33,560	\$ 28,249	\$ 28,788	\$ 25,888	\$ 28,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,250
Louisville Water Company Special Contract	\$ 8,770	\$ 6,720	\$ 3,668	\$ 6,615	\$ 9,527	\$ 8,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,328
Lighting Service	\$ 607	\$ 490	\$ 514	\$ 434	\$ 455	\$ 374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,875
Traffic Lighting Service	\$ 468	\$ 414	\$ 417	\$ 426	\$ 395	\$ 414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,534
Restricted Lighting Service	\$ 12,513	\$ 12,049	\$ 12,328	\$ 11,419	\$ 12,897	\$ 12,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,395
Lighting Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dark Sky Friendly Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,707,231	\$ 1,376,675	\$ 1,433,422	\$ 1,298,982	\$ 1,336,270	\$ 1,715,732	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ 8,868,312

LOUISVILLE GAS AND ELECTRIC COMPANY
 Fuel Adjustment Clause Revenues Reflecting Rollin to Base Rates - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
	Base Rate Actual Fuel Adjustment Clause Billings												
Residential Service (except VFD)	\$ 1,241,430	\$ 807,081	\$ 159,248	\$ 595,080	\$ 620,068	\$ 1,740,313	\$ 2,063,066	\$ 1,940,835	\$ 1,031,462	\$ 557,584	\$ 722,961	\$ 667,302	\$ 12,146,430
Volunteer Fire Departments (charged at Rate RS)	\$ 114	\$ 63	\$ 15	\$ 62	\$ 65	\$ 151	\$ 155	\$ 135	\$ 84	\$ 60	\$ 77	\$ 65	\$ 1,048
Residential Responsive Pricing	\$ 452	\$ 285	\$ 46	\$ 168	\$ 171	\$ 464	\$ 510	\$ 467	\$ 238	\$ 129	\$ 164	\$ 177	\$ 3,271
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 13	\$ 7	\$ 4	\$ 4	\$ 3	\$ 45
General Service	\$ 127,099	\$ 88,274	\$ 19,786	\$ 76,606	\$ 79,189	\$ 173,697	\$ 186,348	\$ 168,986	\$ 104,003	\$ 74,426	\$ 93,038	\$ 77,836	\$ 1,269,288
General Service Three Phase	\$ 252,635	\$ 174,637	\$ 51,239	\$ 151,091	\$ 173,645	\$ 376,433	\$ 406,916	\$ 380,347	\$ 235,072	\$ 166,768	\$ 197,279	\$ 159,569	\$ 2,725,631
General Service Responsive Pricing	\$ 14	\$ 9	\$ 2	\$ 11	\$ 7	\$ 22	\$ 24	\$ 26	\$ 15	\$ 7	\$ 11	\$ 6	\$ 153
General Service Three Phase Responsive Pricing	\$ 16	\$ 3	\$ 2	\$ 6	\$ 6	\$ 29	\$ 46	\$ 58	\$ 27	\$ 9	\$ 8	\$ 7	\$ 216
Power Service - Secondary	\$ 615,018	\$ 426,899	\$ 113,941	\$ 392,406	\$ 411,239	\$ 897,065	\$ 919,876	\$ 830,904	\$ 536,557	\$ 423,646	\$ 504,670	\$ 388,618	\$ 6,460,836
Power Service - Primary	\$ 57,869	\$ 39,512	\$ 12,901	\$ 33,092	\$ 66,937	\$ 83,200	\$ 82,490	\$ 84,635	\$ 48,341	\$ 40,575	\$ 45,140	\$ 41,876	\$ 636,567
Industrial Time of Day Secondary Service	\$ 23,461	\$ 18,671	\$ 5,303	\$ 20,002	\$ 20,601	\$ 47,024	\$ 40,364	\$ 40,017	\$ 30,293	\$ 25,101	\$ 30,267	\$ 22,983	\$ 324,088
Commercial Time of Day Secondary Service	\$ 97,937	\$ 78,517	\$ 23,836	\$ 65,444	\$ 77,202	\$ 150,790	\$ 157,779	\$ 144,722	\$ 94,133	\$ 77,061	\$ 88,164	\$ 74,128	\$ 1,129,711
Industrial Service - Primary	\$ 431,151	\$ 294,506	\$ 204,254	\$ 211,919	\$ 273,349	\$ 525,228	\$ 496,400	\$ 570,594	\$ 336,435	\$ 283,180	\$ 361,597	\$ 271,877	\$ 4,260,490
Commercial Time of Day Primary Service	\$ 85,793	\$ 66,869	\$ 18,826	\$ 63,067	\$ 62,265	\$ 138,474	\$ 136,253	\$ 130,769	\$ 91,503	\$ 78,322	\$ 75,946	\$ 70,342	\$ 1,018,428
Retail Transmission Service	\$ 100,889	\$ 66,747	\$ 16,344	\$ 97,004	\$ 114,144	\$ 210,769	\$ 179,271	\$ 155,207	\$ 67,460	\$ 123,088	\$ 133,241	\$ 97,816	\$ 1,361,981
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 53,525	\$ 62,418	\$ 43,363	\$ 9,718	\$ 37,100	\$ 41,994	\$ 85,861	\$ 98,659	\$ 71,740	\$ 71,497	\$ 44,564	\$ 37,076	\$ 657,516
Louisville Water Company Special Contract	\$ 16,311	\$ 10,316	\$ 1,238	\$ 6,351	\$ 13,934	\$ 21,373	\$ 21,491	\$ 17,788	\$ 12,560	\$ 9,224	\$ 12,319	\$ 10,298	\$ 153,202
Lighting Service	\$ 1,125	\$ 758	\$ 191	\$ 604	\$ 674	\$ 987	\$ 961	\$ 845	\$ 848	\$ 663	\$ 1,018	\$ 946	\$ 9,619
Traffic Lighting Service	\$ 859	\$ 644	\$ 163	\$ 587	\$ 584	\$ 1,085	\$ 1,025	\$ 839	\$ 623	\$ 542	\$ 773	\$ 491	\$ 8,213
Restricted Lighting Service	\$ 29,403	\$ 19,713	\$ 4,798	\$ 15,124	\$ 16,163	\$ 26,721	\$ 24,163	\$ 22,771	\$ 17,125	\$ 17,578	\$ 25,215	\$ 20,237	\$ 239,011
Lighting Service	\$ 3,624	\$ 3,020	\$ 1,090	\$ 2,174	\$ 2,253	\$ 3,587	\$ 3,278	\$ 3,005	\$ 2,426	\$ 2,443	\$ 3,621	\$ 3,030	\$ 33,551
Dark Sky Friendly Lighting	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3
	\$ 3,138,724	\$ 2,158,942	\$ 676,586	\$ 1,740,517	\$ 1,969,596	\$ 4,439,406	\$ 4,806,290	\$ 4,591,621	\$ 2,680,952	\$ 1,951,905	\$ 2,340,079	\$ 1,944,684	\$ 32,439,302

LOUISVILLE GAS AND ELECTRIC COMPANY
 Fuel Adjustment Clause Revenues Reflecting Rollin to Base Rates - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Fuel Adjustment Clause Billings Reflecting Base Rate Roll-in For A Full Year													
FAC Rate Charged:	\$ 0.00292	\$ 0.00241	\$ 0.00153	\$ 0.00233	\$ 0.00321	\$ 0.00418	\$ 0.00416	\$ 0.00314	\$ 0.00234	\$ 0.00221	\$ 0.00307	\$ 0.00224	
FAC Rate Rolled In:	\$ (0.00137)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	
FAC Rate After Roll In:	\$ 0.00155	\$ 0.00084	\$ (0.00104)	\$ 0.00076	\$ 0.00164	\$ 0.00261	\$ 0.00259	\$ 0.00157	\$ 0.00077	\$ 0.00064	\$ 0.00150	\$ 0.00067	\$ 0.00067
Residential Service (except VFD)	\$ 575,245	\$ 281,342	\$ (310,876)	\$ 179,788	\$ 200,411	\$ 1,086,833	\$ 1,284,490	\$ 1,027,997	\$ 1,030,574	\$ 557,595	\$ 722,973	\$ 665,707	\$ 7,302,079
Volunteer Fire Departments (charged at Rate RS)	\$ 53	\$ 22	\$ (29)	\$ 19	\$ 21	\$ 95	\$ 97	\$ 71	\$ 84	\$ 60	\$ 77	\$ 65	\$ 635
Residential Responsive Pricing	\$ 209	\$ 99	\$ (91)	\$ 51	\$ 55	\$ 290	\$ 317	\$ 247	\$ 238	\$ 129	\$ 164	\$ 176	\$ 1,885
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 7	\$ 7	\$ 4	\$ 4	\$ 3	\$ 33
General Service	\$ 59,007	\$ 30,612	\$ (37,821)	\$ 23,297	\$ 25,556	\$ 109,700	\$ 116,118	\$ 88,766	\$ 103,111	\$ 74,407	\$ 93,594	\$ 76,869	\$ 763,216
General Service Three Phase	\$ 117,624	\$ 60,592	\$ (80,753)	\$ 46,890	\$ 56,194	\$ 235,918	\$ 251,612	\$ 195,461	\$ 231,934	\$ 166,661	\$ 198,505	\$ 156,645	\$ 1,637,284
General Service Responsive Pricing	\$ 6	\$ 3	\$ (4)	\$ 4	\$ 2	\$ 14	\$ 15	\$ 14	\$ 15	\$ 7	\$ 11	\$ 6	\$ 93
General Service Three Phase Responsive Pricing	\$ 8	\$ 1	\$ (3)	\$ 3	\$ 2	\$ 18	\$ 28	\$ 31	\$ 27	\$ 9	\$ 8	\$ 7	\$ 139
Power Service - Secondary	\$ 287,048	\$ 147,573	\$ (193,435)	\$ 121,742	\$ 129,778	\$ 570,166	\$ 572,959	\$ 434,884	\$ 527,685	\$ 422,087	\$ 510,964	\$ 382,563	\$ 3,914,013
Power Service - Primary	\$ 27,020	\$ 13,592	\$ (18,674)	\$ 10,457	\$ 25,077	\$ 52,881	\$ 51,340	\$ 48,277	\$ 47,095	\$ 40,636	\$ 46,426	\$ 39,522	\$ 383,649
Industrial Time of Day Secondary Service	\$ 10,876	\$ 6,476	\$ (9,643)	\$ 6,188	\$ 6,665	\$ 30,812	\$ 25,127	\$ 20,780	\$ 29,557	\$ 25,026	\$ 30,801	\$ 22,822	\$ 205,486
Commercial Time of Day Secondary Service	\$ 46,189	\$ 26,559	\$ (34,009)	\$ 21,237	\$ 25,024	\$ 97,190	\$ 98,198	\$ 75,047	\$ 90,260	\$ 76,075	\$ 92,287	\$ 71,337	\$ 685,394
Industrial Service - Primary	\$ 209,608	\$ 95,338	\$ (171,848)	\$ 83,593	\$ 89,031	\$ 364,420	\$ 308,689	\$ 285,163	\$ 310,627	\$ 279,395	\$ 379,432	\$ 256,829	\$ 2,490,276
Commercial Time of Day Primary Service	\$ 40,564	\$ 22,609	\$ (30,345)	\$ 19,380	\$ 20,144	\$ 90,166	\$ 84,933	\$ 67,953	\$ 89,740	\$ 78,158	\$ 76,928	\$ 67,411	\$ 627,640
Retail Transmission Service	\$ 46,644	\$ 23,265	\$ (32,070)	\$ 29,317	\$ 36,900	\$ 131,604	\$ 111,613	\$ 82,251	\$ 67,460	\$ 121,110	\$ 133,241	\$ 97,816	\$ 849,151
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 28,674	\$ 17,956	\$ (18,713)	\$ 12,468	\$ 12,367	\$ 47,244	\$ 53,201	\$ 41,977	\$ 88,719	\$ 33,040	\$ 44,564	\$ 37,076	\$ 398,573
Louisville Water Company Special Contract	\$ 7,541	\$ 3,596	\$ (2,430)	\$ 2,865	\$ 4,551	\$ 13,345	\$ 13,380	\$ 9,426	\$ 12,560	\$ 9,224	\$ 12,319	\$ 10,298	\$ 96,676
Lighting Service	\$ 522	\$ 262	\$ (341)	\$ 188	\$ 217	\$ 622	\$ 598	\$ 445	\$ 840	\$ 663	\$ 1,025	\$ 940	\$ 5,982
Traffic Lighting Service	\$ 402	\$ 222	\$ (276)	\$ 185	\$ 189	\$ 688	\$ 637	\$ 441	\$ 614	\$ 567	\$ 782	\$ 466	\$ 4,916
Restricted Lighting Service	\$ 13,611	\$ 6,831	\$ (8,758)	\$ 4,645	\$ 5,234	\$ 16,860	\$ 15,004	\$ 11,984	\$ 16,995	\$ 17,578	\$ 25,331	\$ 20,038	\$ 145,353
Lighting Service	\$ 1,667	\$ 1,031	\$ (1,479)	\$ 665	\$ 730	\$ 2,254	\$ 2,063	\$ 1,584	\$ 2,423	\$ 2,441	\$ 3,622	\$ 3,023	\$ 20,024
Dark Sky Friendly Lighting	\$ -	\$ -	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2
	\$ 1,472,519	\$ 737,981	\$ (951,598)	\$ 562,981	\$ 638,149	\$ 2,851,120	\$ 2,990,428	\$ 2,392,805	\$ 2,650,567	\$ 1,904,870	\$ 2,373,057	\$ 1,909,620	\$ 19,532,499

LOUISVILLE GAS AND ELECTRIC COMPANY
 Fuel Adjustment Clause Revenues Reflecting Rollin to Base Rates - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Reduced Fuel Adjustment Clause Billings Reflecting Base Rate Roll-in for a Full Year													
Residential Service (except VFD)	\$ (666,185)	\$ (525,738)	\$ (470,124)	\$ (415,292)	\$ (419,657)	\$ (653,481)	\$ (778,576)	\$ (912,838)	\$ (888)	\$ 11	\$ 11	\$ (1,595)	\$ (4,844,352)
Volunteer Fire Departments (charged at Rate RS)	\$ (61)	\$ (41)	\$ (44)	\$ (44)	\$ (44)	\$ (57)	\$ (59)	\$ (63)	\$ -	\$ 0	\$ -	\$ 0	\$ (413)
Residential Responsive Pricing	\$ (243)	\$ (186)	\$ (137)	\$ (117)	\$ (116)	\$ (174)	\$ (192)	\$ (220)	\$ -	\$ -	\$ (0)	\$ (0)	\$ (1,386)
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6)	\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ (12)
General Service	\$ (68,091)	\$ (57,662)	\$ (57,607)	\$ (53,310)	\$ (53,633)	\$ (63,997)	\$ (70,230)	\$ (80,220)	\$ (892)	\$ (19)	\$ 556	\$ (967)	\$ (506,072)
General Service Three Phase	\$ (135,011)	\$ (114,045)	\$ (131,992)	\$ (104,202)	\$ (117,451)	\$ (140,515)	\$ (155,304)	\$ (184,886)	\$ (3,138)	\$ (107)	\$ 1,226	\$ (2,923)	\$ (1,088,347)
General Service Responsive Pricing	\$ (8)	\$ (6)	\$ (5)	\$ (7)	\$ (5)	\$ (8)	\$ (9)	\$ (12)	\$ (0)	\$ -	\$ 0	\$ (0)	\$ (60)
General Service Three Phase Responsive Pricing	\$ (8)	\$ (2)	\$ (5)	\$ (3)	\$ (4)	\$ (11)	\$ (17)	\$ (27)	\$ (0)	\$ (0)	\$ -	\$ -	\$ (77)
Power Service - Secondary	\$ (327,970)	\$ (279,325)	\$ (307,376)	\$ (270,664)	\$ (281,461)	\$ (326,899)	\$ (346,917)	\$ (396,020)	\$ (8,872)	\$ (1,559)	\$ 6,294	\$ (6,055)	\$ (2,546,824)
Power Service - Primary	\$ (30,849)	\$ (25,920)	\$ (31,575)	\$ (22,636)	\$ (41,860)	\$ (30,319)	\$ (31,150)	\$ (36,358)	\$ (1,246)	\$ 61	\$ 1,285	\$ (2,354)	\$ (252,919)
Industrial Time of Day Secondary Service	\$ (12,585)	\$ (12,195)	\$ (14,946)	\$ (13,814)	\$ (13,936)	\$ (16,212)	\$ (15,237)	\$ (19,238)	\$ (736)	\$ (75)	\$ 533	\$ (161)	\$ (118,602)
Commercial Time of Day Secondary Service	\$ (51,748)	\$ (51,957)	\$ (57,844)	\$ (44,207)	\$ (52,178)	\$ (53,600)	\$ (59,581)	\$ (69,675)	\$ (3,872)	\$ (986)	\$ 4,123	\$ (2,791)	\$ (444,317)
Industrial Service - Primary	\$ (221,543)	\$ (199,168)	\$ (376,103)	\$ (128,326)	\$ (184,317)	\$ (160,809)	\$ (187,710)	\$ (285,431)	\$ (25,809)	\$ (3,785)	\$ 17,835	\$ (15,048)	\$ (1,770,213)
Commercial Time of Day Primary Service	\$ (45,229)	\$ (44,260)	\$ (49,171)	\$ (43,687)	\$ (42,121)	\$ (48,307)	\$ (51,320)	\$ (62,816)	\$ (1,763)	\$ (164)	\$ 982	\$ (2,931)	\$ (390,788)
Retail Transmission Service	\$ (54,245)	\$ (43,483)	\$ (48,414)	\$ (67,687)	\$ (77,244)	\$ (79,164)	\$ (67,658)	\$ (72,957)	\$ -	\$ (1,978)	\$ -	\$ -	\$ (512,830)
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ (24,851)	\$ (44,462)	\$ (62,076)	\$ 2,750	\$ (24,734)	\$ 5,249	\$ (32,660)	\$ (56,681)	\$ 16,979	\$ (38,458)	\$ -	\$ -	\$ (258,943)
Louisville Water Company Special Contract	\$ (8,770)	\$ (6,720)	\$ (3,668)	\$ (3,486)	\$ (9,383)	\$ (8,028)	\$ (8,111)	\$ (8,361)	\$ (0)	\$ -	\$ -	\$ -	\$ (56,526)
Lighting Service	\$ (603)	\$ (496)	\$ (532)	\$ (416)	\$ (457)	\$ (365)	\$ (363)	\$ (400)	\$ (8)	\$ 0	\$ 8	\$ (7)	\$ (3,638)
Traffic Lighting Service	\$ (456)	\$ (423)	\$ (439)	\$ (403)	\$ (396)	\$ (396)	\$ (388)	\$ (398)	\$ (8)	\$ 25	\$ 9	\$ (25)	\$ (3,297)
Restricted Lighting Service	\$ (15,792)	\$ (12,882)	\$ (13,556)	\$ (10,478)	\$ (10,928)	\$ (9,861)	\$ (9,159)	\$ (10,788)	\$ (130)	\$ (0)	\$ 116	\$ (199)	\$ (93,658)
Lighting Service	\$ (1,957)	\$ (1,989)	\$ (2,569)	\$ (1,508)	\$ (1,523)	\$ (1,333)	\$ (1,216)	\$ (1,421)	\$ (3)	\$ (1)	\$ 1	\$ (7)	\$ (13,528)
Dark Sky Friendly Lighting	\$ -	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (1)
	\$ (1,666,205)	\$ (1,420,961)	\$ (1,628,184)	\$ (1,177,536)	\$ (1,331,447)	\$ (1,588,287)	\$ (1,815,861)	\$ (2,198,816)	\$ (30,385)	\$ (47,035)	\$ 32,978	\$ (35,064)	\$ (12,906,803)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Eliminate Environmental Surcharge Revenues and Expenses
For the Twelve Months Ended December 31, 2011**

Expense Month	(1) Electric Revenues Environmental Compliance Plans (a)	(2) Electric Expenses Environmental Compliance Plans (b)	(3) Electric Expenses Roll-In Environmental Compliance Plans (c)	(4) Net Electric Expenses (Col. 2 + 3)	(5) Net Electric (Col. 1 - 4)
Jan-11	146,568	236,157	(281,487)	(45,330)	191,898
Feb-11	819,108	366,180	(281,487)	84,693	734,415
Mar-11	742,383	577,743	(281,487)	296,256	446,126
Apr-11	874,121	308,266	(281,487)	26,779	847,341
May-11	666,380	356,250	(281,487)	74,763	591,617
Jun-11	1,206,179	310,177	(281,487)	28,690	1,177,489
Jul-11	1,362,039	376,294	(281,487)	94,807	1,267,232
Aug-11	272,788	476,145	(281,487)	194,658	78,129
Sep-11	165,369	395,130	(281,487)	113,643	51,726
Oct-11	127,590	322,061	(281,487)	40,574	87,016
Nov-11	126,855	350,770	(281,487)	69,283	57,572
Dec-11	168,884	441,778	(281,487)	160,291	8,593
Total	\$ 6,678,264	\$ 4,516,951	\$ (3,377,839)	\$ 1,139,112	\$ 5,539,152
Adjustment	\$ (6,678,264)			\$ (1,139,112)	\$ (5,539,152)

(a) ES Form 3.00, Column 6

(b) ES Form 2.00, Total Pollution Control Operations Expense less Proceeds from By-Product and Allowance Sales

(c) ECR Roll-in pursuant to Commission's Order dated December 2, 2009 in Case No. 2009-00311.

Determination of Expenses Roll-In (Attachment to Response to Question No. 6 (a)(c)):

1. Total Pollution Control Operating Expenses	\$ 14,035,848
2. Less Total Pollution Control Operating Expenses '01 & '03 Plans	(10,422,165)
3. Less Gross Proceeds from By-Product & Allowance Sales	(235,844)
4. Total Expenses Roll-In excluding '01 & '03 Plans	<u>\$ 3,377,839</u>

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	10,896,961	
Subtotal		\$ 76,450,031
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	257,567	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		257,567
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,210,362	
Pollution Control Deferred Income Taxes	2,056,608	
Subtotal		4,266,970
Environmental Compliance Rate Base		\$ 72,440,628

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 100,889
Monthly Depreciation & Amortization Expense	136,047
less investment tax credit amortization	(10,026)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 236,209

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 52	\$ -	\$ 52
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 52	\$ -	\$ 52

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,127,475	
Subtotal		\$ 76,680,545
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	246,693	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		246,693
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,425,274	
Pollution Control Deferred Income Taxes	2,136,919	
Subtotal		4,562,193
Environmental Compliance Rate Base		\$ 72,365,045

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 160,038
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 366,283

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 103	\$ -	\$ 103
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 103	\$ -	\$ 103

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,872,442	
Subtotal		\$ 77,425,512
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	229,697	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		229,697
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,640,185	
Pollution Control Deferred Income Taxes	2,268,905	
Subtotal		4,909,090
Environmental Compliance Rate Base		\$ 72,746,119

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 150,155
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 356,400

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 2,578	\$ 223,921	\$ (221,343)
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 2,578	\$ 223,921	\$ (221,343)

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	12,363,367	
Subtotal		\$ 77,916,437
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	200,566	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		200,566
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,855,097	
Pollution Control Deferred Income Taxes	2,365,820	
Subtotal		5,220,917
Environmental Compliance Rate Base		\$ 72,896,086

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 102,021
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 308,266

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 68,088,518	
Eligible Pollution CWIP Excluding AFUDC	11,534,083	
Subtotal		\$ 79,622,601
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	203,395	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		203,395
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,071,963	
Pollution Control Deferred Income Taxes	2,519,150	
Subtotal		5,591,113
Environmental Compliance Rate Base		\$ 74,234,883

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 148,079
Monthly Depreciation & Amortization Expense	213,428
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 356,279

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 29	\$ -	\$ 29
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 29	\$ -	\$ 29

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	11,951,455	
Subtotal		\$ 76,816,677
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	197,321	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		197,321
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,805,876	
Pollution Control Deferred Income Taxes	2,450,998	
Subtotal		5,256,874
Environmental Compliance Rate Base		\$ 71,757,124

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 106,254
Monthly Depreciation & Amortization Expense	210,835
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	7,652
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 310,214

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	12,458,442	
Subtotal		\$ 77,323,664
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	200,725	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		200,725
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,022,814	
Pollution Control Deferred Income Taxes	2,469,191	
Subtotal		5,492,005
Environmental Compliance Rate Base		\$ 72,032,384

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 170,289
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 376,346

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 52	\$ -	\$ 52
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 52	\$ -	\$ 52

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	12,932,577	
Subtotal		\$ 77,797,799
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	220,653	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		220,653
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,237,960	
Pollution Control Deferred Income Taxes	2,617,371	
Subtotal		5,855,331
Environmental Compliance Rate Base		\$ 72,163,121

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 270,125
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 476,182

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	13,361,797	
Subtotal		\$ 78,227,019
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	221,741	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		221,741
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,454,898	
Pollution Control Deferred Income Taxes	2,767,368	
Subtotal		6,222,266
Environmental Compliance Rate Base		\$ 72,226,494

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 174,545
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	14,565
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 395,167

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	13,797,198	
Subtotal		\$ 78,662,420
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	217,641	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		217,641
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,671,836	
Pollution Control Deferred Income Taxes	2,917,365	
Subtotal		6,589,201
Environmental Compliance Rate Base		\$ 72,290,860

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 61,568
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	54,443
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 322,068

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 7	\$ -	\$ 7
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 7	\$ -	\$ 7

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	14,568,873	
Subtotal		\$ 79,434,095
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	27,348	
Cash Working Capital Allowance	215,491	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		242,839
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,888,775	
Pollution Control Deferred Income Taxes	3,067,363	
Subtotal		6,956,138
Environmental Compliance Rate Base		\$ 72,720,796

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 104,274
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	32,919
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	7,520
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 350,770

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant	\$	74,459,569	\$	-
Eligible Pollution CWIP Excluding AFUDC		7,351,685		1,083,949
Subtotal		\$ 81,811,254		\$ 1,083,949
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		865		
Cash Working Capital Allowance		209,839		6,568
Subtotal		210,704		6,568
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant		4,115,932		-
Pollution Control Deferred Income Taxes		3,353,082		-
Subtotal		7,469,014		-
Environmental Compliance Rate Base	\$	74,552,944	\$	1,090,517

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,472	\$ 52,540
Monthly Depreciation & Amortization Expense	221,904	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	8,899	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	28,072	
Monthly Surcharge Consulting Fees		14,418
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 374,820	\$ 66,958

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: December 31, 2011

GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	
Jan-11	53,670,168	22,451,005	3,138,445	1,766,317	146,568	\$ 81,172,503	\$ 81,025,935	
Feb-11	45,506,117	18,084,243	2,158,942	1,409,347	819,108	\$ 67,977,757	\$ 67,158,649	
Mar-11	46,128,576	18,834,571	676,641	1,295,997	742,383	\$ 67,678,169	\$ 66,935,786	
Apr-11	42,787,952	17,040,984	1,740,517	830,283	874,121	\$ 63,273,856	\$ 62,399,735	
May-11	45,254,113	17,514,458	1,969,596	851,874	666,380	\$ 66,256,422	\$ 65,590,042	
Jun-11	57,215,197	22,484,573	4,437,519	1,415,042	1,206,179	\$ 86,758,510	\$ 85,552,331	
Jul-11	60,671,982	25,574,512	4,806,290	1,627,342	1,362,039	\$ 94,042,165	\$ 92,680,126	
Aug-11	69,075,343	29,943,737	4,591,621	1,891,554	272,788	\$ 105,775,043	\$ 105,502,255	
Sep-11	58,381,866	24,725,734	2,677,626	1,499,239	165,369	\$ 87,449,834	\$ 87,284,465	
Oct-11	44,735,180	19,455,835	1,950,880	958,522	127,590	\$ 67,228,008	\$ 67,100,417	
Nov-11	40,224,157	17,121,568	2,340,079	868,435	126,855	\$ 60,681,094	\$ 60,554,239	
Dec-11	43,779,161	18,883,068	1,944,684	1,041,293	168,884	\$ 65,817,090	\$ 65,648,206	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 75,619,349	
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							\$ 65,648,206	
GROUP 1 Revenues as a Percentage of Total Revenues for Current Month								100.00%

GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM	
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)	
Jan-11						\$ -	\$ -	\$ -	
Feb-11						\$ -	\$ -	\$ -	
Mar-11						\$ -	\$ -	\$ -	
Apr-11						\$ -	\$ -	\$ -	
May-11						\$ -	\$ -	\$ -	
Jun-11						\$ -	\$ -	\$ -	
Jul-11						\$ -	\$ -	\$ -	
Aug-11						\$ -	\$ -	\$ -	
Sep-11						\$ -	\$ -	\$ -	
Oct-11						\$ -	\$ -	\$ -	
Nov-11						\$ -	\$ -	\$ -	
Dec-11						\$ -	\$ -	\$ -	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.								\$ -	\$ -
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							\$ 65,648,206		\$ -
GROUP 2 Revenues as a Percentage of Total Revenues for Current Month								0.00%	

Louisville Gas and Electric Company
Calculation of ECR Roll-in at February 28, 2009 and Elimination of 2001 and 2003 Compliance Plans

		TOTAL		Eliminated Plans (2001 & 2003)		Post Rate Case ECR Plans (05 & 06)		
		Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	
Calculation of Revenue Requirement								
Environmental Compliance Rate Base								
Pollution Control Plant in Service	ES Form 2.00, February 2009	242,856,023	186,207,824	225,893,107	173,201,650	16,962,916	13,006,174	
Pollution Control CWIP Excluding AFUDC	ES Form 2.00, February 2009	40,997,828	31,434,742	-	-	40,997,828	31,434,742	
	Subtotal	283,853,851	217,642,566	225,893,107	173,201,650	57,960,744	44,440,915	
Additions:								
Mill Creek Deferred Debit	ES Form 2.00, February 2009	2,400,596	1,840,637	-	-	2,400,596	1,840,637	
Cash Working Capital Allowance	ES Form 2.00, February 2009	773,476	593,055	388,521	297,895	384,954	295,160	
	Subtotal	3,174,072	2,433,692	388,521	297,895	2,785,550	2,135,797	
Deductions:								
Accumulated Depreciation on Pollution Control Plant	ES Form 2.00, February 2009	31,176,384	23,904,232	30,070,389	23,056,219	1,105,995	848,012	
Pollution Control Deferred Income Taxes	ES Form 2.00, February 2009	13,965,363	10,707,825	12,883,866	9,878,596	1,081,497	829,229	
Pollution Control Deferred Investment Tax Credit	ES Form 2.00, February 2009	-	-	-	-	-	-	
	Subtotal	45,141,747	34,612,057	42,954,255	32,934,816	2,187,492	1,677,241	
	Environmental Compliance Rate Base	\$ 241,886,176	\$ 185,464,201	\$ 183,327,373	\$ 140,564,730	\$ 58,558,802	\$ 44,899,471	
	Rate of Return – Environmental Compliance Rate Base	ES Form 1.10, February 2009	10.98%	10.98%	10.98%	10.98%	10.98%	
	Return on Environmental Compliance Rate Base	\$ 26,559,102	\$ 20,363,969	\$ 20,129,346	\$ 15,434,007	\$ 6,429,756	\$ 4,929,962	
Pollution Control Operating Expenses								
12 Month Depreciation and Amortization Expense	See Support Schedule A	7,494,634	5,746,448	7,011,570	5,376,063	483,064	370,385	
12 Month Taxes Other than Income Taxes	See Support Schedule A	353,407	270,972	302,428	231,884	50,979	39,088	
12 Month Operating and Maintenance Expense	See Support Schedule A	4,146,881	3,179,586	3,108,167	2,383,161	1,038,713	796,425	
12 Month Ash Dredging Expense	See Support Schedule A	2,040,926	1,564,863	-	-	2,040,926	1,564,863	
	Total Pollution Control Operating Expenses	\$ 14,035,848	\$ 10,761,869	\$ 10,422,165	\$ 7,991,108	\$ 3,613,682	\$ 2,770,761	
	Gross Proceeds from By-Product & Allowance Sales	See Support Schedule B	235,844	180,831	-	-	235,844	180,831
Total Company Environmental Surcharge Gross Revenue Requirement								
	Return on Environmental Compliance Rate Base	26,559,102	20,363,969	20,129,346	15,434,007	6,429,756	4,929,962	
	Pollution Control Operating Expenses	14,035,848	10,761,869	10,422,165	7,991,108	3,613,682	2,770,761	
	Less Gross Proceeds from By-Product & Allowance Sales	(235,844)	(180,831)	-	-	(235,844)	(180,831)	
	Total Company Environmental Surcharge Gross Revenue Requirement	\$ 40,359,106	\$ 30,945,007	\$ 30,551,511	\$ 23,425,115	\$ 9,807,595	\$ 7,519,891	
	Jurisdictional Allocation Ratio	See Support Schedule C	76.6742%	76.6742%	76.6742%	76.6742%	76.6742%	
	Jurisdictional Revenues for 12 Months	See Support Schedule C	\$ 778,413,572	\$ 778,413,572	\$ 778,413,572	\$ 778,413,572	\$ 778,413,572	
	Total Company Environmental Surcharge Gross Revenue Requirement		\$ 40,359,106	\$ 30,551,511	\$ 9,807,595	\$ 9,807,595	\$ 9,807,595	
	Jurisdictional Allocation Ratio		76.6742%	76.6742%	76.6742%	76.6742%	76.6742%	
	Jurisdictional Environmental Surcharge Gross Revenue Requirement		\$ 30,944,994	\$ 23,425,115	\$ 7,519,891	\$ 7,519,891	\$ 7,519,891	

Exhibit 1
Reference Schedule 1.04

LOUISVILLE GAS AND ELECTRIC COMPANY

Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended December 31, 2011

	Electric			
	(1)	(2)	(3)	(4)
	LG&E Off-System Sales Revenue	Monthly Environmental Surcharge Factor (a)	Average Environmental Surcharge Factor	Off-System Sales Environmental Cost (Col. 1 * 3)
Jan-11	18,303,562	1.09%	0.69%	126,295
Feb-11	13,880,982	1.41%	0.69%	95,779
Mar-11	13,374,699	0.99%	0.69%	92,285
Apr-11	9,742,182	1.43%	0.69%	67,221
May-11	9,952,934	1.47%	0.69%	68,675
Jun-11	7,170,418	0.18%	0.69%	49,476
Jul-11	8,276,729	0.19%	0.69%	57,109
Aug-11	7,222,945	0.19%	0.69%	49,838
Sep-11	12,412,938	0.21%	0.69%	85,649
Oct-11	14,051,649	0.26%	0.69%	96,956
Nov-11	13,174,028	0.38%	0.69%	90,901
Dec-11	15,251,618	0.43%	0.69%	105,236
Total	\$ 142,814,683			\$ 985,420
Average		0.69%		
Adjustment				\$ (985,420)

(a) ES Form 1.00

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

② 142,814,682.41

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94	\$ 366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue.....	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses.....	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses.....	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses.....	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	792,420
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15	=		1.09%

Effective Date for Billing: March billing cycle beginning February 28, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: February 18, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	1,025,872
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15	=		1.41%

Effective Date for Billing: April billing cycle beginning March 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: March 18, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of March 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	728,799
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15	=		0.99%

Effective Date for Billing: May billing cycle beginning April 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: April 19, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of April 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	1,053,507
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15	=		1.43%

Effective Date for Billing: June billing cycle beginning May 31, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: May 20, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	1,095,320
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		1.47%

Effective Date for Billing: July billing cycle beginning June 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: June 17, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of June 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	131,463
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.18%

Effective Date for Billing: August billing cycle beginning July 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: July 19, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of July 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	145,621
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.19%

Effective Date for Billing: September billing cycle beginning August 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: August 19, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of August 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	144,799
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.19%

Effective Date for Billing: October billing cycle beginning September 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: September 20, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of September 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	156,849
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.21%

Effective Date for Billing: November billing cycle beginning October 28, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: October 18, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of October 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	199,221
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.26%

Effective Date for Billing: December billing cycle beginning November 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: November 18, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of November 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	286,636
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.38%

Effective Date for Billing: January billing cycle beginning December 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: December 20, 2011

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Group E(m) and
Group Environmental Surcharge Billing Factors
For the Expense Month of December 2011**

GROUP 1 (Total Revenue)

Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 18	=	\$	326,019
Group 1 ES Billing Factor -- ES Form 1.10, line 20	=		0.43%

GROUP 2 (Net Revenue)

Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 18	=	\$	-
Group 2 ES Billing Factor -- ES Form 1.10, line 20	=		0.00%

Effective Date for Billing: February billing cycle beginning January 31, 2012

Submitted by: _____

Title: Director, Rates

Date Submitted: January 20, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

To Eliminate Net Brokered and Financial Swap Revenues and Expenses
For the Twelve Months Ended December 31, 2011

	<u>Electric</u>
1. Brokered and Financial Swap Revenues	\$ 2,534,557
2. Brokered and Financial Swap Expenses recorded in revenues	<u>5,271,858</u>
3. Net Brokered and Financial Swap Revenues	<u>\$ (2,737,301)</u>
4. Net Brokered and Financial Swap Revenues adjustment	<u>\$ 2,737,301</u>
5. Operating Expenses related to Brokered and Financial Swap	<u>\$ 71,069 *</u>
6. Net Brokered and Financial Swap Operating Expenses adjustment	<u>\$ (71,069)</u>
7. Total adjustment (Line 4 - Line 6)	<u>\$ 2,808,370</u>

*NOTE: Reflects 1.50% of total labor and labor related costs from regulated trading sales activities.

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

Regulated Trading Labor
For Year Ended January 1, 2011 through December 31, 2011

1 Total Labor		<u>Total</u> \$ 4,736,545
2 Brokered/Swap Trading Percentage		<u>1.64%</u>
3 Total Brokered/Swap Trading Expense		<u><u>77,570</u></u>
4 KU	8.4%	6,501
5 LG&E	91.6%	<u>71,069</u>
6		<u><u>77,570</u></u>

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

	TME DEC 2011 REVENUES	TME DEC 2011 KWH	TOTAL BROKERED & SWAP REVENUES
1 KU	-	-	
2 LG&E	-	-	
3 TOTAL BROKERED	-	-	
4 KU	231,838		
5 LG&E	2,534,557		
6 TOTAL SETTLED SWAP REVENUE	2,766,396	-	
7 KU	4,364,303	99,010,000	
8 LG&E	60,437,290	1,544,495,000	
9 TOTAL SALES FOR RESALE	64,801,594	1,643,505,000	
10 KU	4,596,142	99,010,000	8.4%
11 LG&E	62,971,848	1,544,495,000	91.6%
12 TOTAL BROKERED, SWAP & SFR (EXCLUDES INTERCOMPANY)	67,567,989	1,643,505,000	100.0%
13 BROKERED/SWAP TO TOTAL PERCENT	4.1%	0.0%	
14 STAFF TRADING PERCENTAGE	40.0%		
15 BROKERED TRADING PERCENTAGE	1.64%		

Energy Marketing
 Regulated Trading Labor
 For Year Ended 12/31/2011
 \$'s

COMBINED

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	2,532,183
		Burdens	2,204,362
		Total Burdened Labor	<u><u>4,736,545</u></u>

LGE

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	1,157,011
		Burdens	1,008,354
		Total Burdened Labor	<u><u>2,165,365</u></u>

KU

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	1,374,811
		Burdens	1,195,114
		Total Burdened Labor	<u><u>2,569,925</u></u>

CAPITAL CORP

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	361
		Burdens	894
		Total Burdened Labor	<u><u>1,255</u></u>

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

Regulated Trading & Dispatch Department Personnel

Trading Positions

- 1 Trader
- 2 Dir Trading
- 3 Assoc Trader
- 4 Sr. Trader
- 5 Trader
- 6 Mgr Hourly Trading
- 7 Trader
- 8 Mgr of Trading
- 9 Trader
- 10 Sr. Trader

Dispatching Positions

- 11 Sr Market Compliance Analyst
- 12 Assoc Mkt Compliance Analyst
- 13 Generation Dispatcher
- 14 Dir Marketing
- 15 Generation Dispatcher
- 16 Generation Dispatcher
- 17 Account Manager II Municipals
- 18 Generation Dispatcher
- 19 Mgr Reg Generation Dispatch Op
- 20 Generation Dispatcher
- 21 Mgr Market Compliance
- 22 Generation Dispatcher
- 23 Scheduler
- 24 Sr Market Compliance Analyst
- 25 Sr Dispatcher

26 Trading Positions	10
27 Total Regulated Trading and Dispatch Positions	25
28 Trading Positions as a % of the total	40.00%

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
	\$	\$	\$	\$	\$	\$
Residential Sales.....	30,016,141.82	34,948,425.79	366,263,254.94	366,497,652.16	366,263,254.94	366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue.....	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses.....	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses.....	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses.....	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

**Louisville Gas and Electric Company
Distribution of Kwh Output and Load Data
December 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales	336,416,687	432,578,551	4,260,121,989	4,591,882,579	4,260,121,989	4,591,882,579
Small Commercial and Industrial Sales	105,690,595	131,402,076	1,420,199,307	1,461,031,299	1,420,199,307	1,461,031,299
Large Commercial Sales	172,809,440	197,632,817	2,288,544,888	2,332,211,310	2,288,544,888	2,332,211,310
Large Industrial Sales	169,976,251	213,851,648	2,430,194,056	2,602,851,775	2,430,194,056	2,602,851,775
Public Street and Highway Lighting Sales	5,349,392	6,253,957	51,351,317	54,324,659	51,351,317	54,324,659
Other Sales to Public Authorities	73,289,356	105,882,864	1,190,642,794	1,295,935,082	1,190,642,794	1,295,935,082
Total Sales - Ultimate Consumers	863,531,721	1,087,601,913	11,641,054,351	12,338,236,704	11,641,054,351	12,338,236,704
Sales for Resale	158,719,000	54,968,000	1,544,495,000	535,022,000	1,544,495,000	535,022,000
Intercompany Sales for Resale	425,541,000	489,542,000	3,641,187,000	4,709,981,000	3,641,187,000	4,709,981,000
Brokered Purchases	-	(20,000)	-	(61,000)	-	(61,000)
Total Sales	1,447,791,721	1,632,091,913	16,826,736,351	17,583,178,704	16,826,736,351	17,583,178,704
Used by Electric Department - Station Auxillary	-	-	-	-	-	-
Used by Electric Department - Duplicate Charges	296,146	325,021	2,148,627	2,311,841	2,148,627	2,311,841
Used by Other Departments	1,122,135	-	13,046,118	-	13,046,118	-
Delivered to US Government - Hydro License	418,437	449,402	1,571,011	1,708,802	1,571,011	1,708,802
Used by IMEA	48,477,000	50,808,000	527,689,000	466,320,000	527,689,000	466,320,000
Used by IMPA	52,647,000	53,811,000	556,383,000	497,961,000	556,383,000	497,961,000
Total Kwh Sales, Co. Uses, Etc.	1,550,752,439	1,737,485,336	17,927,574,107	18,551,480,347	17,927,574,107	18,551,480,347
Total System Losses (1)	77,447,561	11,023,414	708,284,049	520,344,403	708,284,049	520,344,403
Total Kwh Output	1,628,200,000	1,748,508,750	18,635,858,156	19,071,824,750	18,635,858,156	19,071,824,750

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load

Kilowatts	1,588,000	1,900,000	2,704,000	2,852,000	2,704,000	2,852,000
Day of the Week	Wednesday	Monday	Tuesday	Wednesday	Tuesday	Wednesday
Date	12/7/2011	12/13/2010	7/12/2011	08/04/2010	7/12/2011	08/04/2010
Hour	7:00 PM	7:00 PM	2:00 PM	3:00 PM	2:00 PM	3:00 PM
Type of Reading - 60 Minute Integrated						

Record Peak
Net 2,852,000 - 08/04/2010

Kentucky Utilities Company
Jurisdictional Utility Revenues
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Kentucky Only						
Residential Sales	\$ 47,988,375.38	\$ 64,633,053.34	\$ 493,167,717.03	\$ 507,149,614.38	\$ 493,167,717.03	\$ 507,149,614.38
Small Commercial and Industrial Sales	14,341,239.39	16,290,100.33	177,368,049.63	169,057,147.22	177,368,049.63	169,057,147.22
Large Commercial Sales	10,432,119.75	13,552,378.13	153,478,796.41	156,054,735.56	153,478,796.41	156,054,735.56
Large Industrial Sales	26,564,713.72	26,813,733.79	333,374,938.84	315,272,945.34	333,374,938.84	315,272,945.34
Mine Power	2,494,770.91	3,218,867.38	31,439,098.55	32,341,102.17	31,439,098.55	32,341,102.17
Public Street and Highway Lighting	763,827.61	988,675.68	10,752,067.99	10,595,234.96	10,752,067.99	10,595,234.96
Other Sales to Public Authorities	6,000,776.36	10,065,394.97	104,491,353.23	98,314,510.52	104,491,353.23	98,314,510.52
Municipal Pumping	374,424.02	426,322.15	4,700,344.05	4,540,381.37	4,700,344.05	4,540,381.37
Rate Refunds.....	-	-	-	6.12	-	6.12
Total Electric Revenue - Ultimate Consumers	108,960,247.14	135,988,525.77	1,308,772,365.73	1,293,325,677.64	1,308,772,365.73	1,293,325,677.64
Sales for Resale	22,804.55	-	4,364,303.42	190,343.93	4,364,303.42	190,343.93
Intercompany Sales for Resale	3,322,557.64	984,022.79	32,401,992.52	13,775,333.51	32,401,992.52	13,775,333.51
Wholesale Sales	8,049,227.69	8,707,299.85	103,730,191.53	103,291,802.77	103,730,191.53	103,291,802.77
Settled Swap Revenue.....	-	-	231,838.17	31,586.52	231,838.17	31,586.52
Settled Swap Expense.....	-	-	(574,533.43)	(11,867.02)	(574,533.43)	(11,867.02)
Late Charge Payments.....	427,151.69	758,626.67	7,457,495.97	9,988,850.61	7,457,495.97	9,988,850.61
Miscellaneous Service Revenue	182,102.82	109,782.09	2,341,512.20	2,197,507.35	2,341,512.20	2,197,507.35
Rent from Electric Property	(134,978.61)	48,105.52	1,685,513.88	941,884.34	1,685,513.88	941,884.34
Other Electric Revenue	1,296,927.59	1,004,133.98	14,709,782.04	10,533,681.78	14,709,782.04	10,533,681.78
Total Electric Operating Revenue	\$ 122,126,040.51	\$ 147,600,496.67	\$ 1,475,120,462.03	\$ 1,434,264,801.43	\$ 1,475,120,462.03	\$ 1,434,264,801.43
Virginia Only						
Residential Sales	\$ 4,165,788.49	\$ 6,437,219.11	\$ 32,436,910.41	\$ 38,559,512.54	\$ 32,436,910.41	\$ 38,559,512.54
Small Commercial and Industrial Sales	641,763.69	1,005,951.27	6,454,197.04	7,489,242.95	6,454,197.04	7,489,242.95
Large Commercial Sales	804,973.85	1,208,563.95	9,698,647.17	9,990,934.89	9,698,647.17	9,990,934.89
Large Industrial Sales	288,023.61	217,105.64	3,124,274.32	1,614,283.33	3,124,274.32	1,614,283.33
Mine Power	1,115,827.45	1,520,141.60	13,391,315.25	13,102,181.57	13,391,315.25	13,102,181.57
Public Street and Highway Lighting	15,786.55	33,470.20	395,101.75	312,286.01	395,101.75	312,286.01
Other Sales to Public Authorities	525,149.76	857,358.93	6,193,969.67	6,551,117.89	6,193,969.67	6,551,117.89
Municipal Pumping	16,520.18	22,632.58	171,475.49	197,448.34	171,475.49	197,448.34
Rate Refunds.....	-	-	-	(632,390.04)	-	(632,390.04)
Total Electric Revenue - Ultimate Consumers	7,573,833.58	11,302,443.28	71,865,891.10	77,184,617.48	71,865,891.10	77,184,617.48
Late Charge Payments.....	23,911.45	16,573.21	212,213.81	95,931.55	212,213.81	95,931.55
Miscellaneous Service Revenue	13,897.13	6,353.59	129,150.67	111,635.34	129,150.67	111,635.34
Rent from Electric Property	15,989.62	4,062.88	171,029.49	48,169.20	171,029.49	48,169.20
Other Electric Revenue	10,637.50	61.00	18,239.00	4,557.00	18,239.00	4,557.00
Total Electric Operating Revenue	\$ 7,638,269.28	\$ 11,329,493.96	\$ 72,396,524.07	\$ 77,444,910.57	\$ 72,396,524.07	\$ 77,444,910.57

Kentucky Utilities Company
Distribution of Kwh Output and Load Data
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales.....	656,058,761	949,103,354	6,549,421,114	7,181,625,474	6,549,421,114	7,181,625,474
Small Commercial and Industrial Sales	164,303,201	204,006,743	2,018,961,791	2,072,007,449	2,018,961,791	2,072,007,449
Large Commercial Sales	166,496,755	224,231,525	2,287,663,933	2,498,175,382	2,287,663,933	2,498,175,382
Industrial Sales.....	504,550,509	526,055,295	6,013,408,031	5,764,353,504	6,013,408,031	5,764,353,504
Mine Power Sales.....	57,531,832	73,137,000	684,726,723	693,997,362	684,726,723	693,997,362
Public Street and Highway Lighting Sales.....	4,280,864	5,839,269	50,815,039	55,934,105	50,815,039	55,934,105
Other Sales to Public Authorities.....	106,098,390	164,662,159	1,584,237,158	1,600,139,247	1,584,237,158	1,600,139,247
Municipal Pumping.....	5,542,348	6,792,300	67,203,674	69,676,728	67,203,674	69,676,728
Total Sales - Ultimate Consumers.....	1,664,862,660	2,153,827,645	19,256,437,463	19,935,909,251	19,256,437,463	19,935,909,251
Sales for Resale.....	539,000	-	99,010,000	4,515,000	99,010,000	4,515,000
Intercompany Sales for Resale.....	120,983,000	30,373,000	1,120,336,000	439,210,000	1,120,336,000	439,210,000
Wholesale Sales.....	156,587,862	185,182,349	1,905,867,063	2,002,284,155	1,905,867,063	2,002,284,155
Total Sales	1,942,972,522	2,369,382,994	22,381,650,526	22,381,918,406	22,381,650,526	22,381,918,406
Kwh Supplied - Company Lighting.....	1,950,988	2,331,643	22,014,658	23,251,969	22,014,658	23,254,105
Kwh Supplied - Free Lighting.....	4,500	4,500	53,768	51,830	53,768	48,687
Used By IMEA.....	42,238,000	19,453,000	459,156,000	44,892,000	459,156,000	44,892,000
Used by IMPA.....	44,940,000	20,678,000	488,140,000	47,694,000	488,140,000	47,694,000
Total Kwh Sales, Co. Uses, Etc.....	2,032,106,010	2,411,850,137	23,351,014,952	22,497,808,205	23,351,014,952	22,497,807,198
Total System Losses (1).....	97,618,990	(26,420,887)	993,779,892	1,444,270,045	993,779,892	1,444,270,045
Total Kwh Output.....	2,129,725,000	2,385,429,250	24,344,794,844	23,942,078,250	24,344,794,844	23,942,077,243

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load						
Kilowatts.....	3,546,000	4,517,000	4,292,000	4,517,000	4,292,000	4,517,000
Day of the Week.....	Thursday	Wednesday	Friday	Wednesday	Friday	Wednesday
Date.....	12/8/2011	12/15/2010	02/11/2011	12/15/2010	02/11/2011	12/15/2010
Hour.....	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM

Type of Reading - 60 Minute Integrated

Record Peak - Net 4,640,000 Kwh - 01/16/2009

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Eliminate ECR, MSR, DSM, FAC and GSC Accruals
For the Twelve Months Ended December 31, 2011**

	Electric	Gas
1. ECR Accrued Revenue in Accounts 440-445	\$ (5,039,496)	\$ -
2. MSR&VDT Accrued Revenue in Accounts 440-445	3,821	-
3. DSM Accrued Revenue in Accounts 440-445	1,763,034	-
4. DSM Accrued Revenue in Accounts 480-482	-	408,439
5. FAC Accrued Revenue in Accounts 440-445	407,000	-
6. GSC Accrued Revenue in Account 480-482	-	-
	-	-
7. Total Accrued Revenues	\$ (2,865,641)	\$ 408,439
8. Total Adjustment	\$ 2,865,641	\$ (408,439)

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Electric)

TOTAL Ultimate Consumers:

	KWH	BILLED REVENUES											Total Revenue	\$/MWH
		Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	11,783,098,136	\$ 51,076,459	\$ 174,660,909	\$ 3,901,524	\$ 373,326,373	\$ 4,464,548	\$ 252,114,287	\$ 32,432,840	\$ 15,455,244	\$ 6,678,264	\$ 3,284	\$ 537	\$ 914,114,269	\$ 77.58
Budget	12,270,114,217	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 385,387,674	\$ 4,517,887	\$ 252,518,951	\$ 6,611,859	\$ 24,975,110	\$ 7,937,320	\$ -	\$ -	\$ 905,334,749	\$ 73.78
Variance	(487,016,081)	\$ 544,989	\$ 7,791,606	\$ (2,083,651)	\$ (12,061,301)	\$ (53,339)	\$ (404,664)	\$ 25,820,981	\$ (9,519,866)	\$ (1,259,056)	\$ 3,284	\$ 537	\$ 8,779,520	\$ 3.79
Dollars per MWH - Actual		\$ 4.33	\$ 14.82	\$ 0.33	\$ 31.68	\$ 0.38	\$ 21.40	\$ 2.75	\$ 1.31	\$ 0.57	\$ -	\$ -	\$ 77.58	
Dollars per MWH - Budget		\$ 4.12	\$ 13.60	\$ 0.49	\$ 31.41	\$ 0.37	\$ 20.58	\$ 0.54	\$ 2.04	\$ 0.65	\$ -	\$ -	\$ 73.78	

TOTAL Ultimate Consumers:

	KWH	ACCURED REVENUES											Total Revenue	\$/MWH
		Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual: Unbilled Accrual	539,434,000	\$ 2,395,000	\$ 8,098,000	\$ 189,000	\$ 16,557,000	\$ 187,000	\$ 11,944,000	\$ 1,464,000	\$ 665,000	\$ 151,000	\$ -	\$ -	\$ 41,650,000	\$ 77.21
Actual: Unbilled Reversal	(681,477,785)	\$ (2,347,000)	\$ (9,387,000)	\$ (221,000)	\$ (20,631,000)	\$ (233,000)	\$ (14,010,000)	\$ (1,350,000)	\$ (789,000)	\$ (85,000)	\$ -	\$ -	\$ (49,653,000)	\$ 72.86
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,000	\$ 1,763,034	\$ (5,039,498)	\$ -	\$ -	\$ (2,869,462)	\$ -
Actual: Net Accrued Revenues	(142,043,785)	\$ 48,000	\$ (1,289,000)	\$ (32,000)	\$ (4,074,000)	\$ (46,000)	\$ (2,066,000)	\$ (78,000)	\$ 1,639,034	\$ (4,973,498)	\$ -	\$ -	\$ (10,872,462)	\$ 76.54
Budget: Unbilled Accrual	544,329,942	\$ -	\$ -	\$ -	\$ 17,368,177	\$ 205,812	\$ 11,202,310	\$ (429,415)	\$ 1,188,666	\$ 681,686	\$ -	\$ -	\$ 30,218,235	\$ 55.51
Budget: Unbilled Reversal	(527,218,760)	\$ -	\$ -	\$ -	\$ (18,372,122)	\$ (195,168)	\$ (10,850,121)	\$ 304,968	\$ (1,143,625)	\$ (772,423)	\$ -	\$ -	\$ (31,028,491)	\$ 58.85
Budget: Other Accrued Revs	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs	17,113,182	\$ -	\$ -	\$ -	\$ (1,003,945)	\$ 11,644	\$ 352,189	\$ (124,447)	\$ 45,041	\$ (90,737)	\$ -	\$ -	\$ (810,256)	\$ (47.35)

TOTAL Ultimate Consumers:

	KWH	OPERATING REVENUES											Total Revenue	\$/MWH
		Cust. Charge Revenue	* Demand Revenue	Demand Rev. (Demand ECR)	** Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	11,641,054,351	\$ 51,124,459	\$ 173,371,909	\$ 3,869,524	\$ 369,252,373	\$ 4,418,548	\$ 250,048,287	\$ 32,353,840	\$ 17,094,278	\$ 1,704,768	\$ 3,284	\$ 537	\$ 903,241,807	\$ 77.59
Budget	12,287,227,389	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 384,383,729	\$ 4,529,531	\$ 252,871,140	\$ 6,487,412	\$ 25,020,151	\$ 7,846,583	\$ -	\$ -	\$ 904,524,493	\$ 73.62
Variance	(646,173,038)	\$ 592,989	\$ 6,502,606	\$ (2,115,651)	\$ (15,131,356)	\$ (110,984)	\$ (2,822,853)	\$ 25,866,428	\$ (7,925,873)	\$ (6,141,815)	\$ 3,284	\$ 537	\$ (1,282,687)	\$ 3.98
Dollars per MWH - Actual		\$ 4.39	\$ 14.89	\$ 0.33	\$ 31.72	\$ 0.38	\$ 21.48	\$ 2.78	\$ 1.47	\$ 0.15	\$ -	\$ -	\$ 77.59	
Dollars per MWH - Budget		\$ 4.11	\$ 13.58	\$ 0.49	\$ 31.28	\$ 0.37	\$ 20.58	\$ 0.53	\$ 2.04	\$ 0.64	\$ -	\$ -	\$ 73.62	

LG&E (Gas)

TOTAL Retail:

	MCF	BILLED REVENUES							Total Revenue	\$/MCF
		Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue			
Actual	31,404,188	\$ 55,053,669	\$ 64,976,296	\$ 3,215,473	\$ 168,616,852	\$ 715,728	\$ -	\$ 292,578,018	\$ 9.32	
Budget	31,402,330	\$ 55,189,127	\$ 65,251,939	\$ 1,650,297	\$ 213,879,148	\$ -	\$ -	\$ 335,970,511	\$ 10.70	
Variance	1,858	\$ (135,458)	\$ (275,643)	\$ 1,565,176	\$ (45,262,296)	\$ 715,728	\$ -	\$ (43,392,493)	\$ (1.38)	
Dollars per MCF - Actual		\$ 1.75	\$ 2.07	\$ 0.10	\$ 5.37	\$ 0.02	\$ -	\$ 43.392493	\$ (1.38)	
Dollars per MCF - Budget		\$ 1.76	\$ 2.08	\$ 0.05	\$ 6.81	\$ -	\$ -	\$ 10.70		
TOTAL Inter-segment:										
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Dollars per MCF - Actual		\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00		
Dollars per MCF - Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL Transportation:										
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50	
Budget	11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46	
Variance	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04	
Dollars/MCF Transportd. - Actual		\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50		
Dollars/MCF Transportd. - Budget		\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46		

TOTAL Retail, Inter-segment and Transport:

Actual	43,714,038	\$ 55,067,121	\$ 75,072,818	\$ 3,222,760	\$ 172,662,263	\$ 715,728	\$ -	\$ 306,740,690	\$ 7.02
Budget	42,666,693	\$ 55,189,127	\$ 70,265,475	\$ 1,650,297	\$ 214,040,593	\$ -	\$ -	\$ 341,145,492	\$ 8.00
Variance	1,047,345	\$ (122,006)	\$ 4,807,343	\$ 1,572,463	\$ (41,378,330)	\$ 715,728	\$ -	\$ (34,404,802)	\$ (0.98)
Dollars/MCF Sold - Actual		\$ 1.26	\$ 1.72	\$ 0.07	\$ 3.95	\$ 0.02	\$ -	\$ 7.02	
Dollars/MCF Sold - Budget		\$ 1.29	\$ 1.65	\$ 0.04	\$ 5.02	\$ -	\$ -	\$ 8.00	

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Gas) (continued)

	ACCRUED REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
TOTAL Retail:									
Actual: Unbilled Accrual	2,592,628	\$ 58,056	\$ 5,446,021	\$ 443,000	\$ 13,413,267	\$ 1,554,000	\$ -		
Actual: Unbilled Reversal	(4,039,200)	\$ (35,000)	\$ (8,479,000)	\$ (250,000)	\$ (21,789,776)	\$ 2,140,000	\$ -	\$ 20,914,344	\$ 8.07
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ 408,439	\$ -	\$ -	\$ -	\$ 408,439	\$ 7.06
Actual: Net Accrued Revenues	(1,446,572)	\$ 23,056	\$ (3,032,979)	\$ 493,439	\$ (8,376,509)	\$ 3,694,000	\$ -	\$ -	\$ -
Budget: Unbilled Accrual	16,780,813	\$ -	\$ 35,068,769	\$ 881,848	\$ 114,100,330	\$ -	\$ -	\$ 150,050,947	\$ 8.94
Budget: Unbilled Reversal	(16,699,163)	\$ -	\$ (34,523,400)	\$ (887,340)	\$ (114,970,668)	\$ -	\$ -	\$ (150,381,408)	\$ 9.01
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	82,650	\$ -	\$ 545,369	\$ (5,492)	\$ (870,338)	\$ -	\$ -	\$ (330,461)	\$ (4.00)
	OPERATING REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
TOTAL Retail:									
Actual	29,957,616	\$ 55,076,725	\$ 61,943,317	\$ 3,708,911	\$ 160,240,344	\$ 4,409,728	\$ -	\$ 285,379,024	\$ 9.53
Budget	31,484,980	\$ 55,189,127	\$ 65,797,308	\$ 1,644,805	\$ 213,008,810	\$ -	\$ -	\$ 335,640,050	\$ 10.66
Variance	(1,527,364)	\$ (112,402)	\$ (3,853,991)	\$ 2,064,106	\$ (52,768,466)	\$ 4,409,728	\$ -	\$ (50,261,026)	\$ (1.13)
Dollars per MCF - Actual		\$ 1.84	\$ 2.07	\$ 0.12	\$ 5.35	\$ 0.15	\$ -	\$ 9.53	
Dollars per MCF - Budget		\$ 1.75	\$ 2.09	\$ 0.05	\$ 6.77	\$ -	\$ -	\$ 10.66	
TOTAL Inter-segment:									
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Dollars per MCF - Actual		\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00	
Dollars per MCF - Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Transportation:									
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50
Budget	11,284,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46
Variance	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04
Dollars/MCF Transportd. - Actual		\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50	
Dollars/MCF Transportd. - Budget		\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46	
TOTAL Retail, Inter-segment and Transport:									
Actual	42,267,466	\$ 55,090,177	\$ 72,039,839	\$ 3,716,199	\$ 164,285,754	\$ 4,409,728	\$ -	\$ 299,541,697	\$ 7.09
Budget	42,749,343	\$ 55,189,127	\$ 70,810,844	\$ 1,644,805	\$ 213,170,255	\$ -	\$ -	\$ 340,815,031	\$ 7.97
Variance	(481,877)	\$ (98,950)	\$ 1,228,995	\$ 2,071,394	\$ (48,884,501)	\$ 4,409,728	\$ -	\$ (41,273,334)	\$ (0.89)
Dollars/MCF Sold - Actual		\$ 1.30	\$ 1.70	\$ 0.09	\$ 3.89	\$ 0.10	\$ -	\$ 7.09	
Dollars/MCF Sold - Budget		\$ 1.29	\$ 1.66	\$ 0.04	\$ 4.99	\$ -	\$ -	\$ 7.97	

Exhibit 1
Reference Schedule 1.07

LOUISVILLE GAS AND ELECTRIC COMPANY

To Eliminate DSM Revenues and Expenses
For the Twelve Months Ended December 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. DSM revenue adjustment	\$ (15,455,244)	\$ (3,222,760)
2. DSM expense adjustment	<u>(10,021,207)</u>	<u>(2,281,107)</u>
3. Net Adjustment	<u><u>\$ (5,434,037)</u></u>	<u><u>\$ (941,653)</u></u>

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Electric)

TOTAL Ultimate Consumers:

	KWH	BILLED REVENUES												Total Revenue	\$/MWH
		Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue			
Actual	11,783,098,136	\$ 51,076,459	\$ 174,660,909	\$ 3,901,524	\$ 373,326,373	\$ 4,464,548	\$ 252,114,287	\$ 32,432,840	\$ 15,455,244	\$ 6,678,264	\$ 3,284	\$ 537	\$ 914,114,269	\$ 77.58	
Budget	12,270,114,217	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 385,387,674	\$ 4,517,887	\$ 252,518,951	\$ 6,611,859	\$ 24,975,110	\$ 7,937,320	\$ -	\$ -	\$ 905,334,749	\$ 73.78	
Variance	(487,016,081)	\$ 544,989	\$ 7,791,606	\$ (2,083,651)	\$ (12,061,301)	\$ (53,339)	\$ (404,664)	\$ 25,820,981	\$ (9,519,866)	\$ (1,259,056)	\$ 3,284	\$ 537	\$ 8,779,520	\$ 3.79	
Dollars per MWH - Actual		\$ 4.33	\$ 14.82	\$ 0.33	\$ 31.68	\$ 0.38	\$ 21.40	\$ 2.75	\$ 1.31	\$ 0.57	\$ -	\$ -	\$ 77.58		
Dollars per MWH - Budget		\$ 4.12	\$ 13.60	\$ 0.49	\$ 31.41	\$ 0.37	\$ 20.58	\$ 0.54	\$ 2.04	\$ 0.65	\$ -	\$ -	\$ 73.78		

TOTAL Ultimate Consumers:

	KWH	ACCRUED REVENUES												Total Revenue	\$/MWH
		Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue			
Actual: Unbilled Accrued	539,434,000	\$ 2,395,000	\$ 8,098,000	\$ 189,000	\$ 16,557,000	\$ 187,000	\$ 11,944,000	\$ 1,464,000	\$ 665,000	\$ 151,000	\$ -	\$ -	\$ 41,650,000	\$ 77.21	
Actual: Unbilled Reversal	(681,477,785)	\$ (2,347,000)	\$ (9,387,000)	\$ (221,000)	\$ (20,631,000)	\$ (233,000)	\$ (14,010,000)	\$ (1,950,000)	\$ (789,000)	\$ (85,000)	\$ -	\$ -	\$ (49,653,000)	\$ 72.86	
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,000	\$ 1,763,034	\$ (5,039,496)	\$ -	\$ -	\$ (2,869,462)	\$ -	
Actual: Net Accrued Revenues	(142,043,785)	\$ 48,000	\$ (1,289,000)	\$ (32,000)	\$ (4,074,000)	\$ (46,000)	\$ (2,066,000)	\$ (79,000)	\$ 1,639,034	\$ (4,973,496)	\$ -	\$ -	\$ (10,872,462)	\$ 76.54	
Budget: Unbilled Accrued	544,329,942	\$ -	\$ -	\$ -	\$ 17,368,177	\$ 206,812	\$ 11,202,310	\$ (429,415)	\$ 1,188,666	\$ 681,686	\$ -	\$ -	\$ 30,218,235	\$ 55.51	
Budget: Unbilled Reversal	(527,216,760)	\$ -	\$ -	\$ -	\$ (18,372,122)	\$ (195,168)	\$ (10,850,121)	\$ 304,968	\$ (1,143,625)	\$ (772,423)	\$ -	\$ -	\$ (31,028,491)	\$ 58.85	
Budget: Other Accrued Revs	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Budget: Net Accrued Revs	17,113,182	\$ -	\$ -	\$ -	\$ (1,003,945)	\$ 11,644	\$ 352,189	\$ (124,447)	\$ 45,041	\$ (90,737)	\$ -	\$ -	\$ (810,256)	\$ (47.35)	

TOTAL Ultimate Consumers:

	KWH	OPERATING REVENUES												Total Revenue	\$/MWH
		Cust. Charge Revenue	* Demand Revenue	Demand Rev. (Demand ECR)	** Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue			
Actual	11,641,054,351	\$ 51,124,459	\$ 173,371,909	\$ 3,869,524	\$ 369,252,373	\$ 4,418,548	\$ 250,048,287	\$ 32,353,840	\$ 17,094,278	\$ 1,704,768	\$ 3,284	\$ 537	\$ 903,241,807	\$ 77.59	
Budget	12,287,227,399	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 384,383,729	\$ 4,529,531	\$ 252,871,140	\$ 6,487,412	\$ 25,020,151	\$ 7,846,583	\$ -	\$ -	\$ 904,524,493	\$ 73.62	
Variance	(646,173,048)	\$ 592,989	\$ 6,502,606	\$ (2,115,651)	\$ (15,131,355)	\$ (110,984)	\$ (2,822,853)	\$ 25,866,428	\$ (7,925,873)	\$ (6,141,815)	\$ 3,284	\$ 537	\$ (1,262,687)	\$ 3.98	
Dollars per MWH - Actual		\$ 4.39	\$ 14.89	\$ 0.33	\$ 31.72	\$ 0.38	\$ 21.48	\$ 2.78	\$ 1.47	\$ 0.15	\$ -	\$ -	\$ 77.59		
Dollars per MWH - Budget		\$ 4.11	\$ 13.58	\$ 0.49	\$ 31.28	\$ 0.37	\$ 20.58	\$ 0.53	\$ 2.04	\$ 0.64	\$ -	\$ -	\$ 73.62		

LG&E (Gas)

TOTAL Retail:

	MCF	BILLED REVENUES							Total Revenue	\$/MCF
		Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue			
Actual	31,404,188	\$ 55,053,669	\$ 64,976,296	\$ 3,215,473	\$ 168,616,852	\$ 715,728	\$ -	\$ 292,578,018	\$ 9.32	
Budget	31,402,330	\$ 55,189,127	\$ 65,251,939	\$ 1,650,297	\$ 213,879,148	\$ -	\$ -	\$ 336,970,511	\$ 10.70	
Variance	1,858	\$ (135,458)	\$ (275,643)	\$ 1,565,176	\$ (45,262,296)	\$ 715,728	\$ -	\$ (43,392,493)	\$ (1.38)	
Dollars per MCF - Actual		\$ 1.75	\$ 2.07	\$ 0.10	\$ 5.37	\$ 0.02	\$ -	\$ 9.32		
Dollars per MCF - Budget		\$ 1.76	\$ 2.08	\$ 0.05	\$ 6.81	\$ -	\$ -	\$ 10.70		
TOTAL Inter-segment:										
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Dollars per MCF - Actual		\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00		
Dollars per MCF - Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL Transportation:										
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50	
Budget	11,264,363	\$ -	\$ 5,013,636	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46	
Variance	(21,640)	\$ -	\$ 176,222	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04	
Dollars/MCF Transportd. - Actual		\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50		
Dollars/MCF Transportd. - Budget		\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46		

TOTAL Retail, Inter-segment and Transport:

Actual	43,714,038	\$ 55,067,121	\$ 75,072,818	\$ 3,222,760	\$ 172,662,263	\$ 715,728	\$ -	\$ 306,740,690	\$ 7.02
Budget	42,665,693	\$ 55,189,127	\$ 70,265,475	\$ 1,660,297	\$ 214,040,593	\$ -	\$ -	\$ 341,145,492	\$ 8.00
Variance	1,047,345	\$ (122,006)	\$ 4,807,343	\$ 1,572,463	\$ (41,378,330)	\$ 715,728	\$ -	\$ (34,404,802)	\$ (0.98)
Dollars/MCF Sold - Actual		\$ 1.26	\$ 1.72	\$ 0.07	\$ 3.95	\$ 0.02	\$ -	\$ 7.02	
Dollars/MCF Sold - Budget		\$ 1.29	\$ 1.65	\$ 0.04	\$ 5.02	\$ -	\$ -	\$ 8.00	

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Gas) (continued)

		ACCRUED REVENUES							Total Revenue	\$/MCF
MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue				
TOTAL Retail:										
Actual: Unbilled Accrual	2,592,628	\$ 58,056	\$ 5,446,021	\$ 443,000	\$ 13,413,267	\$ 1,554,000	\$ -	\$ 20,914,344	\$ 8.07	
Actual: Unbilled Reversal	(4,039,200)	\$ (35,000)	\$ (8,479,000)	\$ (358,000)	\$ (21,789,776)	\$ 2,140,000	\$ -	\$ (28,521,776)	\$ 7.06	
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ 408,439	\$ -	\$ -	\$ -	\$ 408,439	\$ -	
Actual: Net Accrued Revenues	(1,446,572)	\$ 23,056	\$ (3,032,979)	\$ 493,439	\$ (8,376,509)	\$ 3,694,000	\$ -	\$ (7,198,993)	\$ 4.98	
Budget: Unbilled Accrual	16,780,813	\$ -	\$ 35,068,769	\$ 881,848	\$ 114,100,330	\$ -	\$ -	\$ 150,050,947	\$ 8.94	
Budget: Unbilled Reversal	(16,698,163)	\$ -	\$ (34,523,400)	\$ (887,340)	\$ (114,970,668)	\$ -	\$ -	\$ (150,381,408)	\$ 9.01	
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Budget: Net Accrued Revs.	82,650	\$ -	\$ 545,369	\$ (5,492)	\$ (870,338)	\$ -	\$ -	\$ (330,461)	\$ (4.00)	
		OPERATING REVENUES							Total Revenue	\$/MCF
MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue				
TOTAL Retail:										
Actual	29,957,616	\$ 55,076,725	\$ 61,943,317	\$ 3,708,911	\$ 160,240,344	\$ 4,409,728	\$ -	\$ 285,378,024	\$ 9.53	
Budget	31,484,980	\$ 55,189,127	\$ 65,797,308	\$ 1,844,805	\$ 213,008,810	\$ -	\$ -	\$ 335,640,050	\$ 10.56	
Variance	(1,527,364)	\$ (112,402)	\$ (3,853,991)	\$ 2,064,106	\$ (52,768,466)	\$ 4,409,728	\$ -	\$ (50,261,026)	\$ (1.13)	
Dollars per MCF - Actual	\$ 1.84	\$ 2.07	\$ 0.12	\$ 5.35	\$ 0.15	\$ -	\$ -	\$ 9.53	\$ -	
Dollars per MCF - Budget	\$ 1.75	\$ 2.09	\$ 0.05	\$ 6.77	\$ -	\$ -	\$ -	\$ 10.66	\$ (1.13)	
TOTAL Inter-segment:										
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Dollars per MCF - Actual	\$ 0.01	\$ 4.50	\$ -	\$ 3.39	\$ -	\$ -	\$ -	\$ 8.00	\$ -	
Dollars per MCF - Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Transportation:										
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50	
Budget	11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46	
Variance	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04	
Dollars/MCF Transportd. - Actual	\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ -	\$ 0.50	\$ -	
Dollars/MCF Transportd. - Budget	\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.46	\$ -	
TOTAL Retail, Inter-segment and Transport:										
Actual	42,267,466	\$ 55,090,177	\$ 72,039,839	\$ 3,716,199	\$ 164,285,754	\$ 4,409,728	\$ -	\$ 299,541,697	\$ 7.09	
Budget	42,749,343	\$ 55,189,127	\$ 70,810,844	\$ 1,844,805	\$ 213,170,255	\$ -	\$ -	\$ 340,815,031	\$ 7.97	
Variance	(481,877)	\$ (98,950)	\$ 1,228,995	\$ 2,071,394	\$ (48,884,501)	\$ 4,409,728	\$ -	\$ (41,273,334)	\$ (0.89)	
Dollars/MCF Sold - Actual	\$ 1.30	\$ 1.70	\$ 0.09	\$ 3.69	\$ 0.10	\$ -	\$ -	\$ 7.09	\$ -	
Dollars/MCF Sold - Budget	\$ 1.29	\$ 1.66	\$ 0.04	\$ 4.99	\$ -	\$ -	\$ -	\$ 7.97	\$ -	

LG&E Adjusted DSM Expense
For the 12 Months Ended December 31, 2011

Calculation of DSM Expenses for ASSD Filing - 2011

DSM Adjusted Expenses from Over/Under File

	Electric	Gas	Total
Jan-11	555,516.00	157,983.49	713,499.49
Feb-11	313,124.01	139,902.66	453,026.67
Mar-11	625,121.03	178,021.46	803,142.49
Apr-11	439,600.56	71,413.85	511,014.40
May-11	710,389.64	226,307.30	936,696.93
Jun-11	1,014,376.60	274,535.34	1,288,911.93
Jul-11	961,396.95	179,704.21	1,141,101.15
Aug-11	1,408,567.43	145,786.00	1,554,353.43
Sep-11	889,831.45	278,698.90	1,168,530.34
Oct-11	871,008.93	227,386.85	1,098,395.78
Nov-11	758,129.12	213,449.67	971,578.79
Dec-11	1,446,032.75	187,028.38	1,633,061.13
	\$ 9,993,094.45	\$ 2,280,218.08	\$ 12,273,312.53

LG&E T-Stat and CCS Expense not in DCR

	Electric	Gas	Total Adjustments
	21,269.12	63.64	21,332.76
	(189.40)	1,219.40	1,030.00
	973.45	66.55	1,040.00
	1,025.10	113.90	1,139.00
	391.60	67.00	458.60
	-	-	-
	741.60	-	741.60
	11,119.65	1,143.14	12,262.79
	(8,029.18)	(892.13)	(8,921.31)
	-	-	-
	2,575.00	-	2,575.00
	(1,764.32)	(892.13)	(2,656.45)
	\$ 28,112.62	\$ 889.37	\$ 29,001.99

LG&E Total Expense for ASSD Filing

	Electric	Gas	Total
	576,785.12	158,047.13	734,832.25
	312,934.61	141,122.06	454,056.67
	626,094.48	178,088.01	804,182.49
	440,625.66	71,527.75	512,153.40
	710,781.24	226,374.30	937,155.53
	1,014,376.60	274,535.34	1,288,911.93
	962,138.55	179,704.21	1,141,842.75
	1,419,687.08	146,929.14	1,566,616.22
	881,802.27	277,806.77	1,159,609.03
	871,008.93	227,386.85	1,098,395.78
	760,704.12	213,449.67	974,153.79
	1,444,268.43	186,136.25	1,630,404.68
	\$ 10,021,207.07	\$ 2,281,107.45	\$ 12,302,314.52

LG&E Adjusted DSM Expense
For the 12 Months Ended December 31, 2011

LG&E
Total Expenses per DSM File
FY 2011

	Electric	Gas	Total
Jan-11	555,516.00	157,983.49	713,499.49
Feb-11	313,124.01	139,902.66	453,026.67
Mar-11	625,121.03	178,021.46	803,142.49
Apr-11	439,600.56	71,413.85	511,014.40
May-11	710,389.64	226,307.30	936,696.93
Jun-11	1,014,376.60	274,535.34	1,288,911.93
Jul-11	961,396.95	179,704.21	1,141,101.15
Aug-11	1,408,567.43	145,786.00	1,554,353.43
Sep-11	889,831.45	278,698.90	1,168,530.34
Oct-11	871,008.93	227,386.85	1,098,395.78
Nov-11	758,129.12	213,449.67	971,578.79
Dec-11	1,446,032.75	187,028.38	1,633,061.13
	<u>\$ 9,993,094.45</u>	<u>\$ 2,280,218.08</u>	<u>\$ 12,273,312.53</u>

LG&E
Adjusted DSM Expenses - Reconciliation
For 12 Months Ended December 31, 2011

Accrual Adjustment (a)	CCS Expense (b)	T-STAT Expenses (c)	Total Expenses	General Ledger (Acct. 908005)	Difference
160,000.00		21,332.76	894,832.25	894,832.29	(0.04)
60,000.00		1,030.00	514,056.67	514,056.74	(0.07)
15,000.00	\$ 25.00	1,015.00	819,182.49	819,182.55	(0.06)
(82,000.00)		1,139.00	430,153.40	430,153.46	(0.06)
(66,000.00)		458.60	871,155.53	871,155.54	(0.01)
(18,000.00)			1,270,911.93	1,270,911.96	(0.03)
17,000.00		741.60	1,158,842.75	1,158,842.78	(0.03)
9,000.00	\$ 50.00	12,212.79	1,575,616.22	1,575,616.22	-
(130,000.00)		(8,921.31)	1,029,609.03	1,029,609.06	(0.03)
(140,000.00)		-	958,395.78	958,395.78	-
(28,000.00)		2,575.00	946,153.79	946,153.80	(0.01)
(55,000.00)		(2,656.45)	1,575,404.68	1,575,404.64	0.04
<u>\$ (258,000.00)</u>	<u>\$ 75.00</u>	<u>\$ 28,926.99</u>	<u>\$ 12,044,314.52</u>	<u>\$ 12,044,314.82</u>	<u>\$ (0.30)</u>

(a) Accruals are made on a monthly basis to Oracle Account 908005 for estimated DSM expenses. Accruals for estimated expenses are not recoverable through the DCR mechanism until the actual amount of the expenditures are known and recorded to the GL. As a result, the accruals are excluded from the DSM expenses for purposes of the ASSD filing.

(b)

CCS expenses (expenses that are recorded directly from CCS to Oracle Account 908005) should be recoverable expenses. However, when they were incurred, they did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The CCS expenses were customer account write-offs. Certain customers signed up for energy audit, HVAC diagnostic, and HVAC tune up programs, but did not pay for these charges even though the company performed these services. As such, the expenses are allowed through the mechanism and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.

(c) The T-Stat expenses are similar to (b) above. These expenses were recorded to Oracle Account 908005 when they occurred, but did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The T-STAT expenses are now considered recoverable and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.

Σⓐ = 29,001.99

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Annualize Year-End Customers
At December 31, 2011**

	<u>Electric</u>	<u>Gas</u>
1. Revenue adjustment	\$ (2,958,286)	\$ (417,040)
2. Expense adjustment	(1,939,276)	(95,320)
3. Net adjustment	<u>\$ (1,019,010)</u>	<u>\$ (321,720)</u>

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Average Number of Customers, 13 Months Ended December 31, 2011	Number of Customers Served at December 31, 2011	Year-End Over / (Under) 13-Month Average (2) - (1)	Actual kWh	Average kWh per Customer per Year (4) / (1)	Year-End kWh Adjustment (3) * (5)	Current Rates Net Revenue (Base Rates + FAC - Base ECR)	Average Revenue per kWh (7) / (4)	Revenue Adjustment (6) * (8)
RS	351,272	349,550		4,662,425,233					
RSWH	0	0		-					
RRP	73	64		1,281,626					
LEV	0	1		14,539					
Residential Service	351,345	349,615	(1,730)	4,663,721,398	13,273	(22,962,290) \$	381,209,505 \$	0.08174	(1,876,938) \$
VFD	5	5		415,143			31,033 \$		
GSS	28,857	28,983		506,988,247					
GSSWH	0	0		-					
GSSH	0	0		-					
GS3	15,282	15,670		1,063,734,477					
GRP	5	4		60,001					
GGRP	2	2		74,044					
General Service	44,146	44,659	513	1,570,856,769	35,583	18,254,079 \$	143,339,744 \$	0.09125	1,665,685 \$
Power Service									
PSP	90	86		260,161,140					
Primary	90	86	(4)	260,161,140	2,890,679	(11,562,716) \$	17,915,619 \$	0.06886	(796,209) \$
PSS	2,992	2,865		2,558,923,335					
Secondary	2,992	2,865	(127)	2,558,923,335	855,255	(108,617,385) \$	187,919,101 \$	0.07344	(7,976,861) \$
Time of Day									
CTODP	28	33		403,122,412					
Commercial Primary	28	33	5	403,122,412	14,397,229	71,986,145 \$	25,706,917 \$	0.06377	4,590,556 \$
CTODS	98	104		443,364,894					
Commercial Secondary	98	104	6	443,364,894	4,524,131	27,144,786 \$	28,593,567 \$	0.06449	1,750,567 \$
ITODP	56	55		1,681,248,495					
Industrial Primary	56	55	(1)	1,681,248,495	30,022,294	(30,022,294) \$	93,400,278 \$	0.05555	(1,667,738) \$
ITODS	33	38		129,265,032					
Industrial Secondary	33	38	5	129,265,032	3,917,122	19,585,610 \$	8,713,743 \$	0.06741	1,320,266 \$
RTS	11	11		543,242,472					
Retail Transmisison Service	11	11	0	543,242,472	49,385,679	0 \$	29,876,761 \$	0.05500	\$ -
CSR	1	1		-					
Curtailable Service Rider	1	1	0	0	0	0 \$	- \$	-	- \$
FLSP	0	0		-					
FLST	0	0		-					
Fluctuating Load Service	0	0	0	-	0	0 \$	- \$	-	- \$
LE	129	175		4,240,021					
Lighting Energy	129	175	46	4,240,021	32,868	1,511,928 \$	236,094 \$	0.05568	84,184 \$
TE	1,009	1,017		3,447,837					
Traffic Energy	1,009	1,017	8	3,447,837	3,417	27,336 \$	274,752 \$	0.07969	2,178 \$
FK	1	1		241,724,000					
LWC	2	2		60,988,800					
Special Contract Customers	3	3	0	302,712,800	100,904,266	0 \$	16,195,974 \$	0.05350	\$ -
LS	<i>Lights</i>	<i>Lights</i>						<i>per Light per Year</i>	
Lighting Service	11,956	13,393	1,437	14,090,523	1,178	1,692,786 \$	3,449,933 \$	289	414,650 \$
RLS									
Restricted Lighting Service	74,680	72,342	(2,338)	101,829,845	1,363	(3,186,694) \$	14,988,874 \$	201	(469,255) \$
DSK									
Dark Sky Friendly	5	7	2	1,112	222	444 \$	1,569 \$	314	627 \$
Total Revenue Adjustment									\$ (2,958,286)
Expenses at an Operating Ratio of 0.655540173 (see page 2)									(1,939,276)
ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES									\$ (1,019,011)

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

CALCULATION OF ELECTRIC OPERATING RATIO

TOTAL ELECTRIC OPERATING EXPENSES	723,648,351
LESS WAGES AND SALARIES	84,891,736
LESS PENSIONS AND BENEFITS	38,333,256
LESS REGULATORY COMMISSION EXPENSE	<u>1,184,733</u>
NET EXPENSES	599,238,626
TOTAL ELECTRIC OPERATIONS REVENUES (AS BILLED)	914,114,269
OPERATING RATIO	<u>0.655540173</u>

Louisville Gas and Electric Company
Year-End Customer Adjustment
For the 12-months ended December 31, 2011

	Avg. Number of Customers 13 Months Ended December 31, 2011	Number of Customers Served at December 31, 2011	Year-End Over/(Under) Average (Col. 2 - 1)	Weather Normalized Mcf (4)	Average Mcf per Customer (Col. 4 / 1)	Year-End Mcf Adjustment (Col. 3 x 5)	Net Revenue Adjusted for Temperatures	Average Revenue per Mcf	Revenue Adjustment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential Rate RGS	291,336	291,752	416	20,262,718	69.6	28,954	\$ 89,063,307	\$ 4.3954	127,263
Commercial Rate CGS	25,608	25,143	(465)	9,391,603	366.7	(170,516)	\$ 29,978,494	3.1921	(544,303)
Industrial Rate IGS	216	216	-						
Rate AAGS	15	15	-						
Rate FT	76	76	-						
Intra-Company	3	3	-						
Fort Knox duPont	1 1	1 1	- -						
Special Contracts	2	2	-						
TOTAL	317,256	317,207	(49)	29,654,321.2		(141,561.9)	119,041,800.7		(417,040)
Expenses at an Operating Ratio of -			0.2286 (see page 2)						(95,320)
ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES									\$ (321,720)

Louisville Gas and Electric Company
Year-End Customer Adjustment
For the 12-months ended December 31, 2011

CALCULATION OF GAS OPERATING RATIO

TOTAL GAS OPERATING EXPENSES	\$ 226,086,638
LESS GAS SUPPLY EXPENSES	\$ 161,235,626
LESS WAGES AND SALARIES	\$ 24,358,699
LESS PENSIONS AND BENEFITS	\$ 9,559,602
LESS REGULATORY COMMISSION EXPENSE	\$ 243,135
NET EXPENSES	<u>30,689,576</u>

TOTAL GAS OPERATIONS REVENUES (AS BILLED)	\$ 306,759,465
LESS GSC REVENUE	<u>\$ 172,487,210</u>
NET REVENUE	134,272,255

OPERATING RATIO	0.2286
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LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment To Reflect Annualized Depreciation Expenses
At December 31, 2011**

	Electric	Gas
1. Annualized direct depreciation expense under current rates excluding ARO and ECR	\$ 108,367,124	\$ 16,724,679
2. Common plant allocated annualized depreciation expense (a)	14,506,517	5,925,197
3. Total annualized depreciation expense	\$ 122,873,641	\$ 22,649,876
4. Depreciation expense per books for test year	\$ 126,696,578	\$ 23,435,101
5. Depreciation expense for asset retirement costs (ARO)	(2,062,146)	(1,023,455)
6. Depreciation for environmental cost recovery (ECR) plans	(2,475,058)	-
7. Depreciation expense per books excluding ARO and ECR	\$ 122,159,374	\$ 22,411,646
8. Total Adjustment to reflect annualized depreciation expense (Line 3 - Line 7)	\$ 714,267	\$ 238,230

(a) Common plant depreciation was allocated 71% to electric and 29% to gas pursuant to common utility study.

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
ELECTRIC PLANT			
Intangible Plant	\$ 2,240	0.00%	\$ -
Steam Production Plant			
310.20 Land	\$ 6,193,327	0.00%	\$ -
310.25 Land	100,000	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	4,084,602	1.14%	46,564
0142 Cane Run Unit 4 Scrubber	760,360	0.95%	7,223
0151 Cane Run Unit 5	6,266,327	1.92%	120,313
0152 Cane Run Unit 5 Scrubber	1,696,435	1.56%	26,464
0161 Cane Run Unit 6	27,476,430	2.13%	585,248
0162 Cane Run Unit 6 Scrubber	2,004,302	2.04%	40,888
0211 Mill Creek Unit 1	19,891,316	1.64%	326,218
0212 Mill Creek Unit 1 Scrubber	1,709,711	1.65%	28,210
0221 Mill Creek Unit 2	11,532,775	1.42%	163,765
0222 Mill Creek Unit 2 Scrubber	1,393,404	1.81%	25,221
0231 Mill Creek Unit 3	24,500,221	1.51%	369,953
0232 Mill Creel Unit 3 Scrubber	362,867	1.47%	5,334
0241 Mill Creek Unit 4	64,262,881	1.85%	1,188,863
0242 Mill Creek Unit 4 Scrubber	5,330,552	1.76%	93,818
0311 Trimble County Unit 1	115,104,804	2.08%	2,394,180
0312 Trimble County Unit 1 Scrubber	493,910	2.28%	11,261
0321 Trimble County Unit 2	25,993,298	2.10%	545,859
	\$ 322,736,789		\$ 5,979,384
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	1,052,271	0.00%	-
0121 Cane Run Unit 2	132,276	0.00%	-
0131 Cane Run Unit 3	705,480	0.00%	-
0141 Cane Run Unit 4	31,342,106	5.88%	1,842,916
0142 Cane Run Unit 4 Scrubber	17,050,368	4.93%	840,583
0151 Cane Run Unit 5	40,807,537	6.11%	2,493,340
0152 Cane Run Unit 5 Scrubber	28,112,261	4.07%	1,144,169
0161 Cane Run Unit 6	55,219,941	5.19%	2,865,915
0162 Cane Run Unit 6 Scrubber	32,458,665	4.46%	1,447,656
0203 Mill Creek Locomotive	613,424	2.90%	17,789
0204 Mill Creek Rail Cars	2,965,012	3.13%	92,805
0211 Mill Creek Unit 1	56,256,407	4.24%	2,385,272
0212 Mill Creek Unit 1 Scrubber	43,569,497	4.50%	1,960,627
0221 Mill Creek Unit 2	53,298,846	4.70%	2,505,046
0222 Mill Creek Unit 2 Scrubber	35,719,947	4.28%	1,528,814
0231 Mill Creek Unit 3	143,060,652	3.87%	5,536,447
0232 Mill Creek Unit 3 Scrubber	63,256,714	3.85%	2,435,384
0241 Mill Creek Unit 4	248,201,993	3.85%	9,555,777
0242 Mill Creek Unit 4 Scrubber	114,257,526	3.71%	4,238,954
0311 Trimble County Unit 1	217,217,965	3.62%	7,863,290
0312 Trimble County Unit 1 Scrubber	63,633,187	3.62%	2,303,521
0321 Trimble County Unit 2	121,585,784	4.28%	5,203,872
0322 Trimble County Unit 2 FGD	14,269,003	4.28%	610,713
	\$ 1,386,340,184		\$ 56,921,423
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	9,318,503	3.09%	287,942
0151 Cane Run Unit 5	7,931,773	2.22%	176,085
0161 Cane Run Unit 6	16,728,286	3.29%	550,361
0211 Mill Creek Unit 1	14,686,468	2.15%	315,759
0221 Mill Creek Unit 2	17,091,027	2.46%	420,439

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
0231 Mill Creek Unit 3	31,675,230	2.15%	681,017
0241 Mill Creek Unit 4	42,573,105	2.29%	974,924
0311 Trimble County Unit 1	57,000,938	2.48%	1,413,623
0321 Trimble County Unit 2	20,447,427	2.78%	568,438
	<u>\$ 218,159,941</u>		<u>\$ 5,388,589</u>
315.00 Accessory Electric Equipment			
0112 Cane Run Unit 1	1,883,657	0.00%	\$ -
0121 Cane Run Unit 2	1,238,068	0.00%	-
0131 Cane Run Unit 3	766,540	0.00%	-
0141 Cane Run Unit 4	5,920,914	3.18%	188,285
0142 Cane Run Unit 4 Scrubber	987,949	0.82%	8,101
0151 Cane Run Unit 5	9,434,825	2.97%	280,214
0152 Cane Run Unit 5 Scrubber	2,216,499	1.49%	33,026
0161 Cane Run Unit 6	12,602,452	2.80%	352,869
0162 Cane Run Unit 6 Scrubber	2,199,915	1.44%	31,679
0211 Mill Creek Unit 1	15,688,649	2.75%	431,438
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	15,049,880	1.58%	237,788
0232 Mill Creek Unit 3 Scrubber	2,531,773	1.56%	39,496
0241 Mill Creek Unit 4	24,032,537	1.75%	420,569
0242 Mill Creek Unit 4 Scrubber	5,864,979	1.71%	100,291
0311 Trimble County Unit 1	49,158,785	2.13%	1,047,082
0312 Trimble County Unit 1 Scrubber	2,736,920	2.12%	58,023
0321 Trimble County Unit 2	8,302,486	2.49%	206,732
	<u>\$ 178,078,846</u>		<u>\$ 3,754,804</u>
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	2,930,864	4.32%	126,613
0162 Cane Run Unit 6 Scrubber	31,569	2.75%	868
0211 Mill Creek Unit 1	740,549	3.22%	23,846
0221 Mill Creek Unit 2	125,821	2.90%	3,649
0231 Mill Creek Unit 3	410,061	2.59%	10,621
0241 Mill Creek Unit 4	7,285,290	3.04%	221,473
0242 Mill Creek Unit 4 Scrubber	74,851	2.83%	2,118
0311 Trimble County Unit 1	2,917,560	2.89%	84,317
0321 Trimble County Unit 2	1,540,223	2.78%	42,818
	<u>\$ 16,345,184</u>		<u>\$ 528,588</u>
317.00 Asset Retirement Obligations - Steam *	27,798,267		
Total Steam	<u>\$ 2,155,752,539</u>		<u>\$ 72,572,788</u>
Hydraulic Production Plant - Project 289			
0451 - Ohio Falls Project 289			
330.20 Land	\$ 6	0.00%	\$ -
331.00 Structures and Improvements	4,897,580	0.08%	3,918
332.00 Reservoirs, Dams & Waterways	11,690,252	3.30%	385,778
333.00 Water Wheels, Turbines and Generators	19,945,214	0.25%	49,863
334.00 Accessory Electric Equipment	5,509,836	2.94%	161,989
335.00 Misc. Power Plant Equipment	284,789	2.29%	6,522
336.00 Roads, Railroads and Bridges	28,797	0.00%	-
	<u>\$ 42,356,472</u>		<u>\$ 608,070</u>

**Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011**

<i>Property Group</i>	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
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%	-
337.00 Asset Retirement Obligations - Hydro *	103,529		
	<u>\$ 195,918</u>		<u>\$ 759</u>
Total Hydraulic Plant	<u>\$ 42,552,390</u>		<u>\$ 608,829</u>
Other Production Plant			
340.20 Land	\$ 8,133	0.00%	\$ -
341.00 Structures and Improvements			
0171 Cane Run GT 11	211,518	1.34%	2,834
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
	<u>\$ 15,004,439</u>		<u>\$ 479,952</u>
342.00 Fuel Holders, Producers and Accessories			
0171 Cane Run GT 11	\$ 319,042	3.85%	\$ 12,283
0410 Zorn and River Road Gas Turbine	23,434	0.59%	138
0430 Paddys Run Generator 11	9,238	0.58%	54
0431 Paddys Run Generator 12	21,667	0.85%	184
0432 Paddys Run Generator 13	2,255,338	3.08%	69,464
0459 Brown CT 5	846,907	3.07%	26,000
0460 Brown CT 6	403,060	2.99%	12,051
0461 Brown CT 7	141,363	2.99%	4,227
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
	<u>\$ 7,598,824</u>		<u>\$ 240,879</u>
343.00 Prime Movers			
0432 Paddys Run Generator 13	\$ 20,146,191	3.84%	\$ 773,614
0459 Brown CT 5	15,877,891	3.84%	609,711
0460 Brown CT 6	19,951,722	3.85%	768,141
0461 Brown CT 7	18,239,647	3.81%	694,931
0470 Trimble County CT 5	16,268,198	3.88%	631,206
0471 Trimble County CT 6	13,120,484	3.88%	509,075
0474 Trimble County CT 7	13,611,692	3.99%	543,107
0475 Trimble County CT 8	13,496,647	3.99%	538,516
0476 Trimble County CT 9	13,407,237	3.99%	534,949
0477 Trimble County CT 10	13,352,630	3.99%	532,770
	<u>\$ 157,472,340</u>		<u>\$ 6,136,019</u>
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	3,249,360	3.00%	97,481

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
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
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
	\$ 33,171,947		\$ 1,071,812
345.00 Accessory Electric Equipment			
0171 Cane Run GT 11	\$ 116,627	2.40%	\$ 2,799
0410 Zorn and River Road Gas Turbine	44,283	2.31%	1,023
0430 Paddys Run Generator 11	68,109	4.27%	2,908
0431 Paddys Run Generator 12	912,642	3.82%	34,863
0432 Paddys Run Generator 13	2,778,993	3.32%	92,263
0459 Brown CT 5	2,588,423	3.32%	85,936
0460 Brown CT 6	970,189	3.26%	31,628
0461 Brown CT 7	953,200	3.26%	31,074
0470 Trimble County CT 5	706,963	3.38%	23,895
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	4,387,836	3.52%	154,452
	\$ 20,692,503		\$ 710,825
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	-	0.00%	-
0432 Paddys Run Generator 13	1,281,034	2.81%	35,997
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	25,333	3.10%	785
	\$ 3,796,323		\$ 106,347
347.00 Asset Retirement Obligations Other Production *	38,429		
	\$ 237,782,939		\$ 8,745,834
Total Other Production			
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	6,456,555	1.17%	75,542
353.1 Station Equipment	127,564,599	1.32%	1,683,853
354 Towers & Fixtures	40,070,495	1.38%	552,973
355 Poles & Fixtures	53,282,212	2.95%	1,571,825
356 Overhead Conductors & Devices	47,242,307	2.52%	1,190,506
357 Underground Conduit	2,437,094	1.85%	45,086
358 Underground Conductors & Devices	5,659,798	3.65%	206,583
359 Asset Retirement Obligations - Transmission *	252,454		
Total Transmission Plant	\$ 292,319,974		\$ 5,631,399
Electric Distribution Plant			
360.2 Substation Land	\$ 4,110,849	0.00%	\$ -
360.2 Substation Land Class A (Plant Held for Future Use)	637,632	0.00%	-
361 Substation Structures	4,257,660	1.01%	43,002
362.1 Substation Equipment	106,268,031	1.01%	1,073,307

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
362.1 Substation Equipment - Class A (Plant Held for Future Use)	11,382	0.00%	-
364 Poles Towers & Fixtures	135,482,460	3.00%	4,064,474
365 Overhead Conductors & Devices	234,012,661	2.90%	6,786,367
366 Underground Conduit	69,528,364	1.25%	869,105
367 Underground Conductors & Devices	145,471,542	1.76%	2,560,299
368 Line Transformers	140,346,230	2.18%	3,059,548
369.1 Underground Services	6,152,802	2.45%	150,744
369.2 Overhead Services	21,115,397	4.99%	1,053,658
370 Meters	37,655,788	3.79%	1,427,154
373.1 Overhead Street Lighting	34,508,233	2.77%	955,878
373.2 Underground Street Lighting	48,188,855	2.95%	1,421,571
373.4 Street lighting Transformers	-	0.00%	-
374 Asset Retirement Obligations - Distribution *	626,539		
Total Distribution Plant	<u>\$ 988,374,426</u>		<u>\$ 23,465,108</u>
Electric General Plant			
392.1 Transportation Equip Cars & Trucks	\$ 8,184,185	20.00%	\$ 1,636,837
392.2 Transportation Equip Trailers	607,414	3.62%	21,988
394 Tools, Shop, and Garage Equipment	4,603,924	4.39%	202,112
395 Laboratory Equipment	-	30.32%	-
396.1 Power Operated Equip Hourly Rated	2,403,265	20.0%	480,653
396.2 Power operated Equipment Other	151,087	3.17%	4,789
Total General Plant	<u>\$ 15,949,875</u>		<u>\$ 2,346,380</u>
TOTAL ELECTRIC PLANT	<u>\$ 3,732,734,383</u>		<u>\$ 113,370,338</u>

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			92,805
0473 Trimble County CT Pipeline			63,749
392.1 Transportation Equip Cars & Trucks			1,636,837
396.1 Power Operated Equip Hourly Rated			480,653
Less: ECR Depreciation			2,662,848
Total Annualized Depreciation Expense excluding ECR and ARO			<u>\$ 108,367,124</u>

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
GAS PLANT			
Intangible Plant	\$ 387	0.00%	\$ -
Underground Storage			
350.1 Land	\$ 29,501	0.00%	\$ -
350.2 Rights of Way	95,614	0.00%	-
351.2 Compressor Station Structures	5,410,191	1.36%	73,579
351.3 Reg Station Structures	33,152	0.00%	-
351.4 Other Structures	2,113,072	0.92%	19,440
352.40 Well Drilling	2,079,488	0.36%	7,486
352.50 Well Equipment ARO	3,303,149	3.46%	114,289
352.55 Well Equipment	4,774,777	3.46%	165,207
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	13,420,154	1.68%	225,459
354 Compressor Station Equipment	16,329,315	1.28%	209,015
355 Measuring & Regulating Equipment	524,850	1.22%	6,403
356 Purification Equipment	11,973,222	1.92%	229,886
357 Other Equipment	1,235,647	2.18%	26,937
358 Asset Retirement Obligations - Und Storage *	5,201,173		
Total Underground Storage	\$ 79,260,902		\$ 1,166,471
Gas Transmission Plant			
365.2 Rights of Way	\$ 220,659	0.27%	\$ 596
367 Mains	18,839,308	0.37%	69,705
368.07 Asset Retirement Obligation - Cost Gas Trans	3,941,519		
Total Transmission Plant	23,001,485		70,301
Gas Distribution Plant			
374 Land	\$ 59,725	0.00%	\$ -
374.2 Land Rights	74,018	0.04%	30
375.1 City Gate Structures	367,966	1.06%	3,900
375.2 Other Distribution Structures	532,497	8.35%	44,464
376 Mains	324,092,533	1.76%	5,704,029
378 Measuring and Reg Equipment	12,438,038	2.53%	314,682
379 Meas & Reg Equipment - City Gate	4,383,870	2.33%	102,144
380 Services	193,629,870	3.60%	6,970,675
381 Meters	39,833,752	3.99%	1,589,367
383 House Regulators	23,477,955	2.22%	521,211
385 Industrial Meas & Reg Station Equip	944,360	0.94%	8,877
387 Other Equipment	51,112	3.48%	1,779
388 Asset Retirement Obligations - Distribution *	11,931,609		
Total Distribution Plant	\$ 611,817,305		\$ 15,261,157
Gas General Plant			
392.1 Cars & Trucks	\$ 1,269,820	20.00%	\$ 253,964
392.2 Trailers	585,412	4.76%	27,866
394 Other Equipment	4,147,480	4.68%	194,102
395 Laboratory Equipment	-	36.02%	-
396.1 Power Operated Equipment Hourly rated	2,286,752	20.00%	457,350
396.2 Power Operated Equipment Other	177,782	2.69%	4,782
Total General Plant	\$ 8,467,246		\$ 938,064
TOTAL GAS PLANT	\$ 722,547,326		\$ 17,435,993

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Page 7 of 7

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
Less: Amounts not included in Income Statement Depreciation			
392.1 Cars & Trucks			(253,964)
396.1 Power Operated Equipment Hourly rated			(457,350)
Total Annualized Depreciation Expense excluding ECR and ARO			<u><u>\$ 16,724,679</u></u>

COMMON UTILITY PLANT

Intangible Plant

301 Organization	\$ 83,782	0.00%	\$ -
302 Franchises and Consents	-	0.00%	-
303 Misc. Intangible Plant - Software	18,699,664	20.00%	3,739,933
303.1 CCS Software	44,348,601	10.00%	4,434,860
Total Intangible Plant	<u>\$ 63,132,047</u>		<u>\$ 8,174,793</u>

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	61,227,532	3.30%	2,020,509
390.20 Structures and Improvements - Transportation	412,151	25.92%	106,829
390.30 Structures and Improvements - Stores	10,873,331	1.51%	164,187
390.40 Structures and Improvements - Shops	536,692	1.37%	7,353
390.60 Structures and Improvements - Microwave	1,078,816	2.31%	24,921
391.10 Office Furniture	8,532,464	6.01%	512,801
391.20 Office Equipment	2,086,580	8.78%	183,202
391.30 Computer Equipment - Non PC	13,729,742	21.96%	3,015,051
391.31 Personal Computers	3,810,321	20.68%	787,974
391.40 Security Equipment	2,241,823	6.93%	155,358
392.1 Cars & Trucks	245,097	20.0%	49,019
392.2 Trailers	83,874	2.63%	2,206
393 Stores Equipment	1,135,864	5.60%	63,608
394 Other Equipment	3,619,509	5.17%	187,129
395 Laboratory Equipment	-	61.24%	-
396.1 Power Operated Equipment Hourly	235,831	20.0%	47,166
396.2 Power Operated Equipment Other	14,147	4.01%	567
397 Communications Equipment	41,278,294	12.00%	4,953,395
397.10 Comm. Equip. - Computer	6,479,333	0.90%	58,314
398.00 Miscellaneous Equipment	21,816	34.63%	7,555
399.10 ARO Asset Retirement Obligations - Common *	101,390		
Total General Plant	<u>\$ 159,632,018</u>		<u>\$ 12,353,107</u>

TOTAL COMMON UTILITY PLANT

\$ 222,764,065 \$ 20,527,900

Less: Amounts not included in Income Statement Depreciation

392.1 Cars & Trucks	(49,019)
396.1 Power Operated Equipment Hourly	(47,166)

Total Annualized Depreciation Expense excluding ECR and ARO

\$ 20,431,714

Electric Allocation of Common Depreciation Expense (71%)

\$ 14,506,517

Gas Allocation of Common Depreciation Expense (29%)

\$ 5,925,197

TOTAL PLANT IN SERVICE

\$ 4,678,045,774

* 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 December 31, 2011**

Depreciation per ECR filings:	<u>2005-2009 Plans</u>
January, 2011	136,047
February, 2011	211,473
March, 2011	211,473
April, 2011	211,473
May, 2011	213,428
June, 2011	210,835
July, 2011	211,685
August, 2011	211,685
September, 2011	211,685
October, 2011	211,685
November, 2011	211,685
December, 2011	221,904
 Total Depreciation Per ECR Filings	 <u><u>\$ 2,475,058</u></u>
 December 2011 Depreciation Amount	 \$ 221,904
12 months per year	12
Annualized ECR Depreciation at December 31, 2009	<u><u>\$ 2,662,848</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011**

	Electric (1)	Gas (2)	Total (3)
1 Wages (Page 2)	\$ 1,912,281	\$ 478,070	\$ 2,390,351
2 Payroll Taxes (Page 3)	132,080	33,020	165,100
3 401(k) (Page 4)	73,068	18,267	91,335
4 Total	<u>\$ 2,117,429</u>	<u>\$ 529,357</u>	<u>\$ 2,646,786</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011**

	Operating	Construction/ Other	Total
1 Labor for 12 months ended December 31, 2011:			
2 Base	\$ 86,216,625	\$ 29,026,043	\$ 115,242,668
3 Overtime and Premium	10,487,035	4,357,720	14,844,755
4 Less: Labor related to 2011 Windstorm Regulatory Asset	(522,586)		(522,586)
5 TIA	7,226,473	2,203,414	9,429,887
6 Total Labor (Sum of Lines 2 - 5)	<u>\$ 103,407,547</u>	<u>\$ 35,587,177</u>	<u>\$ 138,994,724</u>
7 Total labor Excluding TIA (Line 6 - Line 5)	\$ 96,181,074	\$ 33,383,763	\$ 129,564,837
8 Total Operating and Construction/Other %	74.234%	25.766%	100.000%
9 Annualized base labor at December 31, 2011:			
10 Union LG&E	100% of Total		\$ 46,062,786
11 Exempt LG&E	100% of Total		21,414,150
12 Non-Exempt LG&E	100% of Total		2,277,990
14 Exempt Servco (allocated to LG&E)	45.211% of total		40,530,822
15 Non-Exempt Servco (allocated to LG&E)	45.211% of total		6,907,867
16 Union KU (allocated to LG&E)	1.524% of total		147,886
17 Exempt KU (allocated to LG&E)	1.524% of total		185,770
18 Non-Exempt KU (allocated to LG&E)	1.524% of total		177,141
19 Hourly KU (allocated to LG&E)	1.524% of total		472,276
20 Total Annualized Base Labor (Sum of Lines 10 - 19)			<u>118,176,687</u>
21 Overtime & Premiums (a) (increases allocated as above):			14,844,755
22 Wage increase applied to LG&E union overtime annualized for 2011 (01/01/11 - 11/13/2011 OT labor x 2.5%)			292,868
23 Wage increase applied to LG&E non-exempt overtime annualized for 2011 (01/01/11 - 02/20/11 OT Labor x 3.0%)			1,133
24 Wage increase applied to Servco non-exempt overtime annualized for 2011 (01/01/11 - 02/20/11 OT Labor x 3.0%)			1,973
25 Wage increase applied to KU union and hourly overtime annualized for 2011 (01/01/11 - 07/16/11 OT Labor x 3.0%)			2,898
26 Wage increase applied to KU non-exempt overtime annualized for 2011 (01/01/11 - 02/26/11 OT Labor x 3.0%)			79
27 Less: Storm Labor Related to 2011 Windstorm Regulatory Asset (b)			(522,586)
28 Less: Wage Increase Applied to Labor Related to 2011 Windstorm Regulatory Asset (\$522,586) x 2.5%			(13,065)
29 Total Annualized Labor (Sum of Lines 20 - 28)			<u>\$ 132,784,742</u>
30 Operating Labor based on annualized labor	\$ 132,784,742	x	74.234%
			\$ 98,571,425
31 Operating Labor for 12 months ended December 31, 2011 (Line 7)			<u>96,181,074</u>
32 Labor Adjustment Total (Line 30 - Line 31)			<u>\$ 2,390,351</u>
33 Electric Department		80%	\$ 1,912,281
34 Gas Department		20%	\$ 478,070
35 Total			<u>\$ 2,390,351</u>

(a) Represents actual numbers taken from the Company's financial records for the 12 months ended December 31, 2011.

(b) All labor related to the 2011 Windstorm restoration is assumed to be overtime and premiums.

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustments to Reflect Increases in Payroll Taxes
As Applied to the Twelve Months Ended December 31, 2011

1	Operating Labor increase (Page 2 Line 35)	\$	2,390,351
2	Percentage of wages that do not exceed Social Security (OASDI) limit		<u>88.015%</u>
3	Operating Labor increase subject to Social Security tax (Line 1 x Line 2)	\$	<u>2,103,867</u>
4	Medicare Tax (Line 1 x 1.45%)	\$	34,660
5	Social Security Tax (Line 3 x 6.2%)		<u>130,440</u>
6	Payroll Tax adjustment (Line 4 + Line 5)	\$	<u>165,100</u>
7	Electric Department	80% \$	132,080
8	Gas Department	20% \$	<u>33,020</u>
9	Total	\$	<u>165,100</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Company Contribution to 401(k)
As Applied to the Twelve Months Ended December 31, 2011**

1	Direct total payroll for 12 months ended 12/31/11 (Page 2 Line 6)	\$	138,994,724
2	Total 401(k) Company Contribution for 12 months ended 12/31/11		<u>5,310,488</u>
3	401(k) Company Contribution as a percent of payroll (Line 2 ÷ Line 1)		3.821%
4	Operating Labor increase (Page 2 Line 35)		<u>2,390,351</u>
5	401(k) Company Contribution operating increase (Line 3 x Line 4)	\$	<u>91,335</u>
6	Electric Department	80% \$	73,068
7	Gas Department	20% \$	<u>18,267</u>
8	Total	\$	<u>91,335</u>

Louisville Gas & Electric Co.
 Labor for 12 Months Ended 12/31/2011
 Per the General Ledger

	Operating	Construction/ Other	Total
Union: LG&E to LG&E	26,261,566	8,075,586	34,337,152
Union: Servco to LG&E	1,516	-	1,516
Union: KU to LG&E	3,653	2,577	6,230
Union: LG&E to Others		2,939,760	2,939,760
Salary: LG&E to LG&E	12,561,400	4,242,647	16,804,047
Salary: Servco to LG&E	27,780,674	6,261,712	34,042,386
Salary: KU to LG&E	51,024	497	51,521
Salary: LG&E to Others		1,506,348	1,506,348
Hourly: LG&E to LG&E	339,500	648,450	987,950
Hourly: Servco to LG&E	5,657,321	366,538	6,023,859
Hourly: KU to LG&E	424,590	39,989	464,579
Hourly: LG&E to Others		60,985	60,985
Union/Salary/Hourly	73,081,244	24,145,089	97,226,333
Off Duty Other: LG&E to LG&E	7,211,639	2,870,330	10,081,969
Off Duty Other: Servco to LG&E	5,826,389	1,184,482	7,010,871
Off Duty Other: KU to LG&E	97,353	8,586	105,939
Off Duty Other: LG&E to Others	-	817,556	817,556
Off Duty	13,135,381	4,880,954	18,016,335
Total Base	86,216,625	29,026,043	115,242,668
Union: LG&E to LG&E	9,335,995	3,015,495	12,351,490
Union: Servco to LG&E	1	-	1
Union: KU to LG&E	23,453	4,171	27,624
Union: LG&E to Others		1,224,903	1,224,903
Hourly: LG&E to LG&E (non-exempt)	318,714	8,263	326,977
Hourly: Servco to LG&E (non-exempt)	416,073	29,980	446,053
Hourly: KU to LG&E	392,799	73,258	466,057
Hourly: LG&E to Others (non-exempt)		1,650	1,650
Overtime and Premium	10,487,035	4,357,720	14,844,755
LG&E to LG&E	3,296,464	1,070,270	4,366,734
Servco to LG&E	3,889,344	744,813	4,634,157
KU to LG&E	40,665	3,624	44,289
LG&E to Others		384,707	384,707
TIA	7,226,473	2,203,414	9,429,887
Total labor as stated on tab profram adj.-YTD all	103,930,133	35,587,177	139,517,310
LG&E to LG&E	2,454,269	722,119	3,176,388
Servco to LG&E	1,711,558	332,460	2,044,018
KU to LG&E	24,548	2,610	27,158
LG&E to Others		62,924	62,924
401 (k)	4,190,375	1,120,113	5,310,488
Total	108,120,508	36,707,290	144,827,798

Date	JE Number	Storm Expenses	Normal Operations	Reg Asset	
9/30/2011	242-0100-0911	7,798,301.67	378,651.00	7,419,650.67	Storm Expenses + Normal Ops Adjustment
10/31/2011	244-0100-1011	272,828.01	-	272,828.01	Storm Expenses
11/30/2011	222-0100-1111	305,411.85	-	305,411.85	Storm Expenses
12/31/2011	225-0100-1211	-	-	-	Normal Ops True-Up by FERC (no adjustment to total)
12/31/2011	226-0100-1211	54,234.12	-	54,234.12	Storm Expenses
TOTAL		<u>8,430,775.65</u>	<u>378,651.00</u>	<u>8,052,124.65</u>	

Burdened

Date	JE Number	Storm Expense OPEX Labor	OPEX NonLabor	Normal Operations OPEX Labor	OPEX NonLabor	Regulatory Asset OPEX Labor	OPEX NonLabor	
9/30/2011	242-0100-0911	1,099,677.94	6,698,623.73	342,864.00	35,787.00	756,813.94	6,662,836.73	
10/31/2011	244-0100-1011	504.86	272,323.15			504.86	272,323.15	
11/30/2011	222-0100-1111	4,648.06	300,763.79			4,648.06	300,763.79	
12/31/2011	225-0100-1211							
12/31/2011	226-0100-1211	16.65	54,217.47			16.65	54,217.47	
		<u>1,104,847.51</u>	<u>7,325,928.14</u>			<u>761,983.51</u>	<u>7,290,141.14</u>	8,052,124.65

Raw

Date	Storm Expense OPEX Labor	OPEX NonLabor	Normal Operations OPEX Labor	OPEX NonLabor	Regulatory Asset OPEX Labor	OPEX NonLabor	
9/30/2011	754,458.90	6,698,623.73	235,144.19	35,787.00	519,314.71	6,662,836.73	
10/31/2011	353.68	272,323.15			353.68	272,323.15	
11/30/2011	2,904.11	300,763.79			2,904.11	300,763.79	
12/31/2011							
12/31/2011	13.71	54,217.47			13.71	54,217.47	
	<u>757,730.40</u>	<u>7,325,928.14</u>			<u>522,586.21</u>	<u>7,290,141.14</u>	7,812,727.35

Calculated Burden Rate 1.46

1.46

Regulatory Asset Summary

Raw Storm Labor	757,730.40
Normal Ops Adj	<u>235,144.19</u>
Reg Asset Raw Labor	522,586.21

Louisville Gas & Electric Co.

Report for Company: 100

As of Date: 12/31/2011

		<u>Cumulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	686	46,062,785.60 A	67,146.92
Exempt			
Total Employees	230	20,719,760.00 (B)	90,085.91
Nonexempt			
Total Employees	46	2,277,990.00 C	49,521.52
Senior Management			
Total Employees	4	694,390.00 (B)	173,597.50

$2(B) = 21414150$

LG&E and KU Services Company

Report for Company: 020

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Exempt			
Total Employees	852	76,657,932.20 (A)	89,974.10
Nonexempt			
Total Employees	372	15,279,173.00 B	41,073.05
Senior Management			
Total Employees	61	12,990,210.00 (A)	212,954.26

$$\text{(A)} = 89,648,142.20 \times 45.2119\% = 40,530,822$$

$$\text{B} = 15,279,173 \times 45.2119\% = 6,907,867$$

y

1/18/2012

Kentucky Utilities

Report for Company: 110
As of Date: 12/31/2011

		<u>Cumulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	145	9,703,782.40 ^A	66,922.64
Exempt			
Total Employees	136	11,701,914.00 ^(B)	86,043.49
Hourly			
Total Employees	446	30,989,233.60 ^D	69,482.59
Nonexempt			
Total Employees	210	11,623,440.20 ^C	55,349.72
Senior Management			
Total Employees	3	487,740.00 ^(B)	162,580.00

$$\begin{array}{r} \Sigma (B) = 12,189,694 = \text{Total Exempt} \\ \times 1.524\% \quad \text{KU} \\ \hline 185770 \end{array}$$

$$\begin{array}{r} (A) \quad 9,703,782.40 \\ \times 1.524 \\ \hline 147,886 \end{array}$$

$$\begin{array}{r} (C) \quad 11,623,440.20 \\ \times 1.524 \\ \hline 177,141 \end{array}$$

$$\begin{array}{r} (D) \quad 30,989,233.60 \\ \times 1.524 \\ \hline 472,276 \end{array}$$

Labor Charged by Exp Org Company to Company (Exp Types 0101-0174)

2011

Row Labels	Values				Sum of Total	Pct of Total
	Sum of 1st	Sum of 2nd	Sum of 3rd	Sum of 4th		
P00020: TOTAL LG&E AND KU SERVICES COMPANY	22,884,184	22,131,751	22,940,427	21,478,865	89,435,226	100.000%
4	547,399	444,312	390,717	355,521	1,737,949	1.943%
20	159	33,405	40,281	43,145	116,990	0.131%
100 (LG&E)	10,273,278	9,961,243	10,440,357	9,759,505	40,434,382	45.211%
110 (KU)	12,032,265	11,661,102	12,038,547	11,287,292	47,019,205	52.573%
301	29,856	31,900	28,975	33,403	124,135	0.139%
304	-	-	1,550	-	1,550	0.002%
507	-	891	-	-	891	0.001%
508	1,228	(1,103)	-	-	125	0.000%
P01000: TOTAL LGE UTILITY	18,289,650	18,511,637	18,145,783	17,279,313	72,226,382	100.000%
4	391	536	310	107	1,344	0.002%
100 (LG&E)	16,875,423	16,947,441	16,722,548	15,954,927	66,500,340	92.072%
110 (KU)	1,413,835	1,563,660	1,422,925	1,324,278	5,724,698	7.926%
P10040: TOTAL KU COMPANY	16,897,764	17,275,402	17,364,610	15,134,154	66,671,929	100.000%
4	3,191	3,246	3,395	2,597	12,429	0.019%
20	-	-	-	160	160	0.000%
100 (LG&E)	180,149	312,695	393,658	129,509	1,016,011	1.524%
110 (KU)	16,714,424	16,959,461	16,967,557	15,001,888	65,643,330	98.457%
Grand Total	58,071,597	57,918,790	58,450,820	53,892,332	228,333,538	

Calculation for Percentage of Wages That Do Not Exceed the Social Security Limit

		SS Wages		Medicare Wages	
Servco		\$94,723,156.02	E13	\$122,101,354.61	F13 77.577%
Allocated to LG&E	45.21%	42,824,338.84		55,202,022.42	
Allocated to KU	52.57%	49,795,963.12		64,188,682.12	
LG&E		81,472,454.92	A13	86,118,340.35	B13 94.605%
Servco Allocated to LG&E	45.21%	42,824,338.84		55,202,022.42	77.577%
KU Allocated to LG&E	1.52%	1,238,381.31		1,308,998.77	94.605%
		<u>125,535,175.07</u>		<u>142,629,361.54</u>	88.015%
KU		76,803,680.11	C13	84,436,673.86	D13 90.960%
Servco Allocated to KU	52.57%	49,795,963.12		64,188,682.12	77.577%
LG&E Allocated to KU	7.92%	6,082,851.46		6,687,384.57	90.960%
		132,682,494.69		155,312,740.55	85.429%

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Adjust for Pension, Post Retirement and Post Employment
For the Twelve Months Ended December 31, 2011**

	<u>Pension</u>	<u>Post Retirement</u>	<u>Post Employment</u>	<u>Total</u>
1. Pension, Post Retirement and Post Employment expenses in test year	\$ 24,694,304	\$ 6,247,448	\$ 219,362	\$ 31,161,114
2. Pension, Post Retirement, and Post Employment expenses annualized for 2012 Mercer Study	<u>19,295,608</u>	<u>5,386,918</u>	<u>476,507</u>	<u>25,159,033</u>
3. Total adjustment (Line 2 - Line 1)	<u>\$ (5,398,696)</u>	<u>\$ (860,530)</u>	<u>\$ 257,145</u>	<u>\$ (6,002,081)</u>
4. Electric Department (a) 80%				\$ (4,801,665)
5. Gas Department (a) 20%				<u>(1,200,416)</u>
6 Total Adjustment				<u>\$ (6,002,081)</u>

(a) Percentages taken from Reference Schedule 1.10

**Louisville Gas and Electric Company
Pension Proforma Calculation**

		<u>LG&E</u>	<u>Servco</u>
1. Company O&M Pension expense (excluding Servco)		\$ 15,913,085	
2. Total Company Pension costs (excluding Servco)		<u>21,012,530</u>	
3. % O&M to total	(Line 1/Line 2)	75.7%	
4. Servco O&M Pension expense charged to LG&E			\$ 8,781,219
5. Total Servco Pension costs charged to LG&E			<u>10,329,358</u>
6. % O&M to total	(Line 4/Line 5)		85.0%
7. Projected 2012 Cost per Mercer Study (for LG&E includes LG&E Union and Non-Union Plans)		\$ 17,056,790	\$ 16,599,016
8. Servco % allocated to LG&E based on labor split			45.2%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 12,917,347	\$ 7,502,755
10. Servco O&M charged to LG&E	(Line 6 x Line 9 Servco)	<u>6,378,261</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 19,295,608	
12. LG&E 12 months ended December 2011 O&M	(Line 1)	\$ 15,913,085	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>8,781,219</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 24,694,304	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ (5,398,696)</u>	

**Louisville Gas and Electric Company
Post-retirement Proforma Calculation**

		<u>LG&E</u>	<u>Servco</u>
1. Company O&M Post-retirement expense (excluding Servco)		\$ 5,507,499	
2. Total Company Post-retirement costs (excluding Servco)		<u>7,178,993</u>	
3. % O&M to total	(Line 1/Line 2)	76.7%	
4. Servco O&M Post-retirement expense charged to LG&E			\$ 739,949
5. Total Servco Post-retirement costs charged to LG&E			<u>869,867</u>
6. % O&M to total	(Line 4/Line 5)		85.1%
7. Projected 2012 Cost per Mercer Study		\$ 6,024,573	\$ 1,989,779
8. Servco % allocated to LG&E based on labor split			45.2%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 4,621,864	\$ 899,380
10. Servco O&M charged to LG&E	(Line 6 x Line 9 Servco)	<u>765,054</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 5,386,918	
12. LG&E 12 months ended December 2011 O&M	(Line 1)	\$ 5,507,499	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>739,949</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 6,247,448	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ (860,530)</u>	

**Louisville Gas and Electric Company
Post-employment Proforma Calculation**

		LG&E	Servco
1.	Company O&M Post-employment expense (excluding Servco)	\$ 19,138	
2.	Total Company Post-employment costs (excluding Servco)	43,777	
3.	% O&M to total (Line 1/Line 2)	43.7%	
4.	Servco O&M Post-employment expense charged to LG&E		\$ 200,224
5.	Total Servco Post-employment costs charged to LG&E		235,042
6.	% O&M to total (Line 4/Line 5)		85.2%
7.	Projected 2012 Cost per Mercer Study	\$ 679,971	\$ 465,516
8.	Servco % allocated to LG&E based on labor split		45.2%
9.	Expected O&M expenses (Line 3, Line 8 x Line 7)	\$ 297,263	\$ 210,413
10.	Servco O&M charged to LG&E (Line 6 x Line 9 Servco)	179,244	
11.	Total O&M costs for 2012 Mercer target (Line 9 + Line 10)	\$ 476,507	
12.	LG&E 12 months ended December 2011 O&M (Line 1)	\$ 19,138	
13.	Servco allocation for 12 months ended December 2011 O&M (Line 4)	200,224	
14.	Test Year O&M for 12 months ended December 2011 (Line 12 + Line 13)	\$ 219,362	
15.	Expenses over (under) test year (Line 11 - Line 14)	\$ 257,145	

Servco to LGE

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M FASB 106 0721	O&M FASB 106 0731	O&M FASB 112 0724	O&M Pensions 0728	O&M Pensions 0730	BS/BTL FASB 106 0721	BS/BTL FASB 106 0731	BS/BTL FASB 112 0724	BS/BTL Pensions 0728	BS/BTL Pensions 0730
B. Servco to LGE	107001	CONSTR WORK IN PROG	0020	0100		0.00	0.00	0.00	0.00	0.00	68,565.55	56.29	18,274.02	813,632.12	7,440.30
B. Servco to LGE	108901	RETIREMENT - RWIP	0020	0100		0.00	0.00	0.00	0.00	0.00	596.51	3.89	153.21	7,180.37	62.35
B. Servco to LGE	143024	A/R MUTUAL AID	0020	0100		0.00	0.00	0.00	0.00	0.00	88.07	0.00	26.63	1,083.55	0.00
B. Servco to LGE	146054	I/C RECEIVABLE - PPL - MUTUAL A	0020	0100		0.00	0.00	0.00	0.00	0.00	153.38	0.00	46.38	1,887.27	0.00
B. Servco to LGE	163002	WAREHOUSE EXPENSES	0020	0100		0.00	0.00	0.00	0.00	0.00	522.18	1.61	143.44	5,720.47	190.72
B. Servco to LGE	163100	OTHER	0020	0100		0.00	0.00	0.00	0.00	0.00	1,865.04	2.67	503.45	21,724.69	313.87
B. Servco to LGE	183201	OTH PREL SUR/INV-GAS	0020	0100		0.00	0.00	0.00	0.00	0.00	19.83	0.00	5.46	244.25	0.00
B. Servco to LGE	183301	PRELIM SURV/INV-ELEC	0020	0100		0.00	0.00	0.00	0.00	0.00	108.59	0.00	30.29	1,336.76	0.00
B. Servco to LGE	184307	ADMIN/OTH EXP-TRANSP	0020	0100		0.00	0.00	0.00	0.00	0.00	1,698.84	3.36	452.28	19,598.77	394.75
B. Servco to LGE	184600	ENGINEERING OVERHEADS - GEN	0020	0100		0.00	0.00	0.00	0.00	0.00	2,685.46	4.17	731.24	31,165.34	466.18
B. Servco to LGE	184602	ENGINEERING OVERHEADS - DIST	0020	0100		0.00	0.00	0.00	0.00	0.00	21,670.30	29.64	5,872.51	254,069.94	3,550.19
B. Servco to LGE	184603	ENGINEERING OVERHEADS - RET.	0020	0100		0.00	0.00	0.00	0.00	0.00	17,185.66	22.15	4,643.97	201,664.53	2,613.10
B. Servco to LGE	184605	ENGINEERING OVERHEADS - TRAI	0020	0100		0.00	0.00	0.00	0.00	0.00	7,321.80	15.71	1,954.55	85,335.32	1,797.83
B. Servco to LGE	426401	EXP-CIVIC/POUREL	0020	0100		0.00	0.00	0.00	0.00	0.00	849.89	1.01	236.77	10,084.80	117.49
B. Servco to LGE	426491	EXP-CIVIC/POUREL - INDIRECT	0020	0100		0.00	0.00	0.00	0.00	0.00	6,117.39	8.22	1,654.43	71,665.02	971.86
B. Servco to LGE	426501	OTHER DEDUCTIONS	0020	0100		0.00	0.00	0.00	0.00	0.00	146.78	0.11	40.74	1,751.69	12.95
B. Servco to LGE	426591	OTHER DEDUCTIONS - INDIRECT	0020	0100		0.00	0.00	0.00	0.00	0.00	173.03	0.13	48.91	2,047.42	14.99
B. Servco to LGE	908005	DSM CONSERVATION PROG	0020	0100		14,467.06	21.18	3,898.55	169,217.96	2,492.78	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926101	PENSIONS EXPENSE - BURDENS	0020	0100		0.00	0.00	0.00	3,545,895.54	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926105	FASB 112 (OPEB) POST EMPLOYM	0020	0100		0.00	0.00	75,151.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926106	FASB 106 (OPEB) POST RETIREME	0020	0100		280,813.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926117	CLOSED 04/11 - PENSION INTERE	0020	0100		0.00	(19,675.69)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926118	CLOSED 04/11 - FASB 106 INTERE	0020	0100		0.00	0.00	0.00	4,944,510.76	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926911	PENSIONS EXPENSE - BURDENS II	0020	0100		0.00	0.00	121,173.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926915	FASB 112 (OPEB) POST EMPLOYM	0020	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926916	FASB 106 (OPEB) POST RETIREME	0020	0100		443,592.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926917	PENSION INTEREST EXPENSE - BL	0020	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926918	FASB 106 INTEREST (OPEB) POST	0020	0100		0.00	20,730.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Totals

738,872.97	1,076.46	200,224.08	8,659,624.26	121,594.54	129,768.30	148.96	34,818.28	1,530,192.31	17,946.58
Pension		FAS 106		O&M		BS/BTL		BS/BTL	
8,781,218.80		739,949.43		85.01224%		85.06469%		85.06469%	
1,548,138.89		129,917.26		14.98776%		14.93531%		14.93531%	
10,329,357.69		869,866.69		Total 2011		Total 2011		Total 2011	
FAS 112		O&M		BS/BTL		BS/BTL		BS/BTL	
200,224.08		85.18638%		85.18638%		85.18638%		85.18638%	
34,818.28		14.81362%		14.81362%		14.81362%		14.81362%	
235,042.36		Total 2011		Total 2011		Total 2011		Total 2011	

LGE

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M FASB 106 0721	O&M FASB 106 0731	O&M FASB 112 0724	O&M Pensions 0728	O&M Pensions 0730	BS/BTL FASB 106 0721	BS/BTL FASB 106 0731	BS/BTL FASB 112 0724	BS/BTL Pensions 0728	BS/BTL Pensions 0730
										0.00	807,016.84	42,768.64	5,383.09	2,496,373.54	(7,874.47)
A. LGE to LGE	107001	CONSTR WORK IN PROG	0100	0100		0.00	0.00	0.00	0.00	0.00	4,595.02	0.00	653.50	14,528.25	0.00
A. LGE to LGE	108799	RWIP-ARO LEGAL	0100	0100		0.00	0.00	0.00	0.00	0.00	97,439.74	4,921.92	(2,147.18)	302,935.79	(812.96)
A. LGE to LGE	108901	RETIREMENT - RWIP	0100	0100		0.00	0.00	0.00	0.00	0.00	64,086.92	2,288.41	(1,006.12)	190,958.22	(405.68)
A. LGE to LGE	143003	ACCTS REC - IMEA	0100	0100		0.00	0.00	0.00	0.00	0.00	68,105.63	2,431.90	(1,069.17)	202,932.56	(431.13)
A. LGE to LGE	143004	ACCTS REC - IMPA	0100	0100		0.00	0.00	0.00	0.00	0.00	356.14	2.38	(14.77)	1,016.73	(0.42)
A. LGE to LGE	143022	ACCTS REC - BEYOND THE METEF	0100	0100		0.00	0.00	0.00	0.00	0.00	1,914.83	0.00	0.00	6,198.94	0.00
A. LGE to LGE	143024	A/R MUTUAL AID	0100	0100		0.00	0.00	0.00	0.00	0.00	507.84	0.00	0.00	1,644.23	0.00
A. LGE to LGE	146054	I/C RECEIVABLE - PPL - MUTUAL A	0100	0100		0.00	0.00	0.00	0.00	0.00	50,146.09	2,619.94	(298.44)	156,179.56	(464.45)
A. LGE to LGE	163002	WAREHOUSE EXPENSES	0100	0100		0.00	0.00	0.00	0.00	0.00	2,036.18	199.85	128.30	6,239.69	(35.43)
A. LGE to LGE	163004	ASSET RECOVERY	0100	0100		0.00	0.00	0.00	0.00	0.00	25,765.25	(471.94)	4,210.98	265,544.54	3,269.87
A. LGE to LGE	184076	ADMINISTRATIVE AND GENERAL -	0100	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)	0.00	0.00
A. LGE to LGE	184150	SYSTEM ALLOC-CO 1	0100	0100		0.00	0.00	0.00	0.00	0.00	2,445.28	164.97	(5.34)	7,681.94	(29.25)
A. LGE to LGE	184307	ADMIN/OTH EXP-TRANSP	0100	0100		0.00	0.00	0.00	0.00	0.00	764.00	55.00	(1.31)	2,401.45	(9.75)
A. LGE to LGE	184319	FUEL ADMINISTRATION VEHICLES	0100	0100		0.00	0.00	0.00	0.00	0.00	142.13	0.00	11.90	327.58	0.00
A. LGE to LGE	184515	MAINTENANCE-ESC	0100	0100		0.00	0.00	0.00	0.00	0.00	32.21	0.00	4.85	104.28	0.00
A. LGE to LGE	184516	OPERATION-BOC	0100	0100		0.00	0.00	0.00	0.00	0.00	7.65	0.00	0.64	17.62	0.00
A. LGE to LGE	184517	MAINTENANCE-BOC	0100	0100		0.00	0.00	0.00	0.00	0.00	(182.02)	0.00	(17.42)	(449.48)	0.00
A. LGE to LGE	184520	MISC FAC O/M-OFFSET	0100	0100		0.00	0.00	0.00	0.00	0.00	172.53	0.00	(2.28)	460.59	0.00
A. LGE to LGE	184600	ENGINEERING OVERHEADS - GEN	0100	0100		0.00	0.00	0.00	0.00	0.00	197,164.00	10,546.46	(2,120.76)	614,295.33	(1,881.05)
A. LGE to LGE	184602	ENGINEERING OVERHEADS - DIST	0100	0100		0.00	0.00	0.00	0.00	0.00	182,372.98	10,910.49	2,572.63	569,232.48	(1,935.69)
A. LGE to LGE	184603	ENGINEERING OVERHEADS - RET.	0100	0100		0.00	0.00	0.00	0.00	0.00	11,422.85	51.78	471.09	35,620.54	(9.18)
A. LGE to LGE	426501	OTHER DEDUCTIONS	0100	0100		3.08	0.00	0.45	9.95	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	506100	MISC STM PWR EXP	0100	0100		0.74	0.00	0.08	1.67	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	514100	MTCE-MISC/STM PLANT	0100	0100		8.05	0.00	1.21	26.07	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	588100	MISC DIST EXP-SUBSTATION OPEI	0100	0100		89.54	0.00	7.50	206.38	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	591003	MTCE-MISC STRUCT-DIS	0100	0100		1.91	0.00	0.16	4.41	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	598100	MTCE OF MISC DISTRIBUTION PLA	0100	0100		4.19	0.00	0.63	13.56	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	880100	OTH GAS DISTR EXPENSE	0100	0100		53.58	0.00	4.48	123.49	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	886100	MTCE-GAS DISTR STRUCT	0100	0100		5.19	0.00	0.73	15.85	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	905001	MISC CUST SERV EXP	0100	0100		73.28	0.00	(3.29)	237.33	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	908005	DSM CONSERVATION PROG	0100	0100		11.93	0.00	1.81	38.59	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	920100	OTHER GENERAL AND ADMIN SAL	0100	0100		(0.16)	0.00	0.00	15,844.202.31	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	922003	TRIMBLE CTY TRAN-CR	0100	0100		0.00	0.00	0.00	8,169.68	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926101	PENSIONS EXPENSE - BURDENS	0100	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926105	FASB 112 (OPEB) POST EMPLOYM	0100	0100		5,432,836.99	0.00	0.00	0.00	(96,196.65)	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926106	FASB 106 (OPEB) POST RETIREME	0100	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926117	CLOSED 04/11 - PENSION INTERE!	0100	0100		0.00	17,852.42	0.00	0.00	0.00	0.00	0.00	0.00	198,917.63	(1,541.60)
A. LGE to LGE	926118	CLOSED 04/11 - FASB 106 INTERE!	0100	0100		2.82	0.00	0.24	6.53	0.00	63,674.13	8,688.05	3,237.81	3,516.77	(23.43)
A. LGE to LGE	935101	MTCE-GEN PLANT	0100	0110		0.00	0.00	0.00	0.00	0.00	1,129.95	132.27	56.14	366.44	0.00
B. LGE to Others	107001	CONSTR WORK IN PROG	0100	0110		0.00	0.00	0.00	0.00	0.00	158.99	0.00	13.32	7,515.30	(29.25)
B. LGE to Others	108901	RETIREMENT - RWIP	0100	0110		0.00	0.00	0.00	0.00	0.00	2,394.32	164.97	(9.94)	2,358.92	(9.75)
B. LGE to Others	143024	A/R MUTUAL AID	0100	0110		0.00	0.00	0.00	0.00	0.00	749.32	55.00	(2.92)	8.68	(0.39)
B. LGE to Others	184307	ADMIN/OTH EXP-TRANSP	0100	0110		0.00	0.00	0.00	0.00	0.00	1.41	2.19	0.30	264.43	0.00
B. LGE to Others	184319	FUEL ADMINISTRATION VEHICLES	0100	0110		0.00	0.00	0.00	0.00	0.00	81.67	0.00	12.29	4,182.70	(9.87)
B. LGE to Others	184600	ENGINEERING OVERHEADS - GEN	0100	0110		0.00	0.00	0.00	0.00	0.00	1,365.02	55.66	166.36	6.74	0.00
B. LGE to Others	184605	ENGINEERING OVERHEADS - TRA	0100	0110		0.00	0.00	0.00	0.00	0.00	2.08	0.00	0.31	97.76	(0.21)
B. LGE to Others	184612	ENGINEERING OVERHEADS - DIST	0100	0110		0.00	0.00	0.00	0.00	0.00	36.55	1.20	0.29	0.00	0.00
B. LGE to Others	426501	OTHER DEDUCTIONS	0100	0110		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	426501	OTHER DEDUCTIONS	0100	0110		0.62	0.00	0.09	2.02	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	506100	MISC STM PWR EXP	0100	0110		0.15	0.00	0.02	0.34	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	514100	MTCE-MISC/STM PLANT	0100	0110		0.00	0.00	0.00	433.06	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926101	PENSIONS EXPENSE - BURDENS	0100	0110		0.00	0.00	0.00	164,472.30	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926101	PENSIONS EXPENSE - BURDENS	0100	0110		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926105	FASB 112 (OPEB) POST EMPLOYM	0100	0110		0.00	0.00	(194.30)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926105	FASB 106 (OPEB) POST RETIREME	0100	0110		143.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926106	FASB 106 (OPEB) POST RETIREME	0100	0110		53,483.06	0.00	0.00	0.00	(0.84)	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926106	FASB 106 (OPEB) POST RETIREME	0100	0110		0.00	0.00	0.00	0.00	(511.17)	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926117	CLOSED 04/11 - PENSION INTERE!	0100	0110		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926117	CLOSED 04/11 - PENSION INTERE!	0100	0110		0.00	4.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926118	CLOSED 04/11 - FASB 106 INTERE!	0100	0110		0.00	2,922.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(12,034.09)
Totals						5,486,718.96	20,779.58	8,227.54	16,009,793.36	(96,708.66)	1,585,905.43	85,589.16	10,592.70	5,111,479.75	

2012 Net Periodic Pension Cost for Qualified Plans

Regulatory Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	2,485,200	2,011,714	2,505,928	691,710			
c. Gain/loss	10,667,520	3,819,343	3,547,219	7,533,540			
5. Net periodic pension cost	\$ 10,639,398	\$ 6,417,392	\$ 16,599,016	\$ 12,794,781			

Financial Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	778,382	0	0	0			
c. Gain/loss	0	0	0	0			
5. Net periodic pension cost	\$ (1,734,940)	\$ 586,335	\$ 10,545,869	\$ 4,569,531			

LG&E and KU Energy LLC
2012 Net Periodic Benefit Cost For Postretirement Benefit Plans
December 31, 2011 Measurement Date
Financial Accounting (Includes Purchase Accounting)

	Non-Union					LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International			
Service cost	\$491,450	\$1,406,855	\$1,577,596			\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839			2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)			0		
Amortizations:						0		
Transition	0	0	0			375,701		
Prior service cost	283,863	586,092	512,905			(346,738)		
Gain/loss	(9,653)	(796,052)	(8,490)					
Net periodic benefit cost	\$1,844,453	\$2,925,605	\$1,699,281			\$2,841,929		

Regulatory Accounting (Excludes Purchase Accounting)

	Non-Union					LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International			
Service cost	\$491,450	\$1,406,855	\$1,577,596			\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839			2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)			0		
Amortizations:						417,201		
Transition	252,457	1,120,928	109,514			1,220,885		
Prior service cost	568,983	912,738	685,399			(818,162)		
Gain/loss	0	(167,680)	0			\$3,632,890		
Net periodic benefit cost	\$2,391,683	\$5,001,551	\$1,989,779					
Accumulated Postretirement Benefit Obligation (APBO) as of December 31, 2011	33,701,479	76,240,751	29,641,760			50,568,553		

LG&E & KU Energy. LLC

Estimated Year End FAS 112 Liability For Post-Employment Benefits For Disabled Employees

Liability Date	LG&E	KU	ServCo	International	WKE	Total
12/31/2011	4,311,798	5,422,837	2,186,069			
12/31/2012	4,991,769	5,536,024	2,651,585			
12/31/2013	5,658,500	5,626,845	3,107,206			
12/31/2014	6,262,101	5,733,038	3,557,025			
12/31/2015	6,827,619	5,820,825	3,955,462			

Notes

1. Plan costs have been based on census data as of November 2010.
2. Future employees were projected to become disabled based on the assumptions used in the determination of the 2011 FAS 106 expense.
3. All other data, methods, plan provisions and assumptions (including 4.55% discount rate) are the same as those used in the determination of the December 31, 2010 FAS 112 liability, including a reduction in liability for Medicare-eligible disableds associated with the Medicare Modernization Act of 2003.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Normalized Storm Damage Expense
For the Twelve Months Ended December 31, 2011**

	Electric
1. Storm damage provision based upon ten year average	\$ 5,394,427
2. Storm damage expenses incurred during the 12 months ended December 31, 2011	6,814,290
3. Adjustment	\$ (1,419,863)

Year	Expense	CPI-All Urban Consumers	Amount
2011	\$ 6,814,290 (a)	1.0000	\$ 6,814,290
2010	1,535,593	1.0316	1,584,118
2009	5,405,075 (a)	1.0485	5,667,221
2008	6,107,323 (a)	1.0448	6,380,931
2007	2,172,237	1.0849	2,356,660
2006	5,725,974	1.1158	6,389,042
2005	1,982,820	1.1518	2,283,812
2004	13,866,592	1.1908	16,512,338
2003	2,350,428	1.2225	2,873,398
2002	2,465,175	1.2504	3,082,455
Total			\$53,944,265
Ten Year Average			\$ 5,394,427

(a) 2008, 2009, and 2011 expenses do not include 2008 Wind storm, 2009 Winter storm, and 2011 Summer storm expenses that were recorded as regulatory assets.

Total Company Storm costs -- Opex
 Company Org Acct Type

		2004	2005	2006	2007	2008	2009	2010	2011
Project									
LUTL	003230-- CORE-TOTAL OPERATING EXPENSES	0.00	0.00	0.00	297.32	0.00	0.00	0.00	0.00
	108162 MOCK STORM 4-5-00	0.00	0.00	0.00	297.32	0.00	0.00	0.00	0.00
	113458 Capital/Indirect Storm II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	114689 STORM 07-29-02	-52.12	0.00	-1.35	0.00	0.00	0.00	0.00	0.00
	115208 STORM 09-20-02	-109.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	115255 STORM 10-04-02	-107.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	115667 STORM 01-28-03	0.00	13,431.43	5,572.25	0.00	0.00	0.00	0.00	0.00
	115679 STORM 02-04-2003	0.00	4,650.55	1,808.99	0.00	0.00	0.00	0.00	0.00
	115716 STORM 02-15-03	0.00	31,547.92	8,704.42	0.00	0.00	0.00	0.00	0.00
	115877 STORM 05-01-03	0.00	11,022.67	3,036.85	0.00	0.00	0.00	0.00	0.00
	116343 STORM 07-21-03	0.00	1,802.83	1,730.79	0.00	0.00	0.00	0.00	0.00
	116678 STORM 08-02-03	713.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117042 STORM 11-12-03	755.85	6,998.17	5,080.49	0.00	0.00	0.00	0.00	0.00
	117215 STORM 01-25-04	85,405.25	4,151.95	967.16	0.00	0.00	0.00	0.00	0.00
	117312 STORM 03-05-04	53,345.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117313 STORM 03-07-04	42,552.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117547 STORM 05-19-04	51,369.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117621 STORM 05-25-04	187,557.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117634 STORM 05-27-04	871,207.39	2,353.35	0.00	0.00	0.00	0.00	0.00	0.00
	117636 STORM 05-31-04	3,004,748.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117691 STORM 06-12-04	23,621.86	1,710.76	977.58	0.00	0.00	0.00	0.00	0.00
	118151 Storm July 5, 2004	428,681.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	118205 STORM 07-09-04	173,117.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	118234 Storm 7/13/04	8,341,872.02	56,207.99	47.46	0.00	0.00	0.00	0.00	0.00
	118264 STORM 07-22-04	150,581.40	12,541.63	5,018.78	0.00	0.00	0.00	0.00	0.00
	118280 STORM 7-30-04	217,263.51	29,288.40	9,127.58	0.00	0.00	0.00	0.00	0.00
	119008 Florida Power & Light	192.11	0.00	151.55	0.00	0.00	0.00	0.00	0.00
	119010 Progress Energy	1,252.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	119284 GULF POWER ASSISTANCE	1,082.17	0.00	37.43	0.00	0.00	0.00	0.00	0.00
	119519 Progress Energy - Jeanne	2,205.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	119598 STORM 10-12-04	17,745.56	8,602.35	2,817.50	0.00	0.00	0.00	0.00	0.00
	119632 WIND STORM 10-16-04	14,071.14	2,073.05	666.71	0.00	0.00	0.00	0.00	0.00
	119690 Wind Storm 10/30/04	53,265.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	119745 May_July Storm Settlements	4,583.57	2,546.18	0.00	0.00	0.00	0.00	0.00	0.00
	119785 STORM 11-24-04	34,585.95	443.20	0.00	0.00	0.00	0.00	0.00	0.00
	119824 STORM 12-7-04	56,064.45	27,599.03	0.00	0.00	0.00	0.00	0.00	0.00
	119867 Storm 12-23-04	49,018.64	130,243.31	0.00	0.00	0.00	0.00	0.00	0.00
	119921 01-13-05 STORM	0.00	103,612.26	0.00	33,577.80	0.00	0.00	0.00	0.00
	120187 Storm 04-22-05	0.00	184,303.51	0.00	0.00	0.00	0.00	0.00	0.00
	120245 Storm May 13, 2005	0.00	11,238.74	0.00	0.00	0.00	0.00	0.00	0.00
	120251 PSRT TRAINING LOU	0.00	2,419.20	0.00	0.00	0.00	0.00	0.00	0.00
	120260 Storm 05-19-05	0.00	158,309.89	0.00	119,436.60	0.00	0.00	0.00	0.00
	120327 Storm 06-08-05	0.00	45,720.65	6,731.04	0.00	0.00	0.00	0.00	0.00
	120700 Storm 07-01-05	0.00	58,746.27	0.00	0.00	0.00	0.00	0.00	0.00
	120844 Storm 07/22/05	0.00	174,337.92	65,529.15	0.00	0.00	0.00	0.00	0.00
	120935 Storm 08-05-05	0.00	50,578.92	7,181.73	0.00	0.00	0.00	0.00	0.00
	121073 Storm 08-13-05	0.00	68,646.96	-3,166.41	0.00	0.00	0.00	0.00	0.00
	121099 Storm 08-20-05	0.00	48,967.29	2,354.96	0.00	0.00	0.00	0.00	0.00
	121119 Storm 08-28-05	0.00	184,758.78	-1,690.29	0.00	0.00	0.00	0.00	0.00
	121124 Storm 08-30-05	0.00	286,574.68	4,172.50	0.00	0.00	0.00	0.00	0.00
	121131 LGE - Storm Bonus	0.00	33,855.06	4,804.27	0.00	0.00	0.00	0.00	0.00
	121321 Storm 11-06-05	0.00	49,042.59	6,026.17	0.00	0.00	0.00	0.00	0.00
	121328 Storm 11-15-05	0.00	116,635.82	9,485.66	0.00	0.00	0.00	0.00	0.00
	121360 Storm 11/28/2005	0.00	57,857.11	18,941.37	0.00	0.00	0.00	0.00	0.00

Total Company Storm costs -- Opex
 Company Org Acct Type

	2004	2005	2006	2007	2008	2009	2010	2011
Project								
121400 Storm 01-02-06	0.00	0.00	87,599.82	-232.68	0.00	0.00	0.00	0.00
121486 Storm 02-16-06	0.00	0.00	29,953.70	0.00	0.00	0.00	0.00	0.00
121510 Storm 03-09-06	0.00	0.00	506,907.03	1.97	0.00	0.00	0.00	0.00
121539 Storm 04-02-2006	0.00	0.00	1,915,754.96	4.07	570.64	0.00	0.00	0.00
121547 Storm 04-07-06	0.00	0.00	63,287.26	0.00	0.00	0.00	0.00	0.00
121552 Storm 04-16-06	0.00	0.00	34,030.08	216.00	0.00	0.00	0.00	0.00
121556 Storm 04-19-06	0.00	0.00	80,159.90	0.90	0.00	0.00	0.00	0.00
121673 Storm 05-25-06	0.00	0.00	1,055,973.82	-9,172.52	0.00	0.00	0.00	0.00
121688 Storm 06-01-06	0.00	0.00	50,198.57	0.00	0.00	0.00	0.00	0.00
121890 Storm 06-19-06	0.00	0.00	146,162.57	0.40	0.00	0.00	0.00	0.00
121969 Storm 06-29-06	0.00	0.00	77,011.34	0.08	0.00	0.00	0.00	0.00
121993 Storm 07-04-06	0.00	0.00	81,016.05	-260.10	0.00	0.00	0.00	0.00
122120 Storm 07-14-06	0.00	0.00	141,910.40	1.16	0.00	0.00	0.00	0.00
122184 Storm 07-21-06	0.00	0.00	227,236.83	1.29	0.00	0.00	0.00	0.00
122203 Storm 08-10-06	0.00	0.00	233,524.52	0.26	63,679.12	0.00	0.00	0.00
122226 Storm 08-20-06	0.00	0.00	159,393.50	-78.80	0.00	0.00	0.00	0.00
122431 Storm 09-22-06	0.00	0.00	346,888.35	-1,096.58	0.00	0.00	0.00	0.00
122622 Storm 12-01-06	0.00	0.00	196,461.22	37,430.48	0.00	0.00	0.00	0.00
122785 Storm 04-03-07	0.00	0.00	0.00	212,130.82	0.00	0.00	0.00	0.00
122793 Storm 04-11-07	0.00	0.00	0.00	74,102.97	0.00	0.00	0.00	0.00
122846 Storm 05-16-07	0.00	0.00	0.00	118,319.08	0.00	0.00	0.00	0.00
122866 Storm 06-05-07	0.00	0.00	0.00	57,090.68	0.00	0.00	0.00	0.00
123129 Storm 07-04-2007	0.00	0.00	0.00	63,791.71	25,315.54	0.00	0.00	0.00
123148 Storm 07-17-07	0.00	0.00	0.00	45,362.99	9,775.82	0.00	0.00	0.00
123172 Storm 07-19-07	0.00	0.00	0.00	326,509.23	-9,542.60	0.00	0.00	0.00
123323 Storm 08-16-07	0.00	0.00	0.00	596,559.93	0.00	0.00	0.00	0.00
123487 Storm 09-27-07	0.00	0.00	0.00	10,919.71	0.00	0.00	0.00	0.00
123585 Storm 10-18-07	0.00	0.00	0.00	198,023.61	38,813.80	0.00	0.00	0.00
123708 Wind Storm 12-22-07	0.00	0.00	0.00	32,909.38	3,480.52	31,866.16	0.00	0.00
123756 Storm 01-29-08	0.00	0.00	0.00	0.00	1,845,223.12	86.04	0.00	0.00
123765 Storm 02-05-08	0.00	0.00	0.00	0.00	973,893.28	40.42	0.00	0.00
123775 Storm 02-12-08	0.00	0.00	0.00	0.00	383,311.83	-8,860.21	0.00	0.00
123783 Storm 02-17-08	0.00	0.00	0.00	0.00	85,285.82	0.00	0.00	0.00
123793 Storm 02-21-08	0.00	0.00	0.00	0.00	238,315.10	16,714.65	0.00	0.00
124310 Storm 05-11-08	0.00	0.00	0.00	0.00	171,618.59	32,598.79	0.00	0.00
124634 Storm 06-19-08	0.00	0.00	0.00	0.00	93,696.46	22,341.48	0.00	0.00
124641 Storm 06-26-08	0.00	0.00	0.00	0.00	374,577.36	2.55	0.00	0.00
124744 Storm 07-08-08	0.00	0.00	0.00	0.00	180,622.86	-4,973.99	0.00	0.00
125722 Storm 09-14-08	0.00	0.00	0.00	0.00	1,171,914.00	0.00	0.00	0.00
STRMLGE LGE Major Storm Event	0.00	0.00	0.00	0.00	0.00	4,866,538.07	-15,397.23	52.13
STRMLOUOC Minor Storm Event Louisville	0.00	0.00	0.00	0.00	0.00	432,197.96	7,059.31	1,452.49
STRM03230 LGE Minor Storm Event	0.00	0.00	0.00	0.00	0.00	0.00	1,543,930.88	1,510,792.65
STRM323 STORMS 003230	0.00	0.00	116,389.52	256,389.68	456,771.96	14,522.87	0.00	0.00
LMS040911 LGE MAJOR STORM 040911	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233,591.00
LMS042011 LGE MAJOR STORM 042011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	505,380.55
LMS042211 LGE MAJOR STORM 042211	0.00	0.00	0.00	0.00	0.00	0.00	0.00	867,100.88
LMS052311 LGE MAJOR STORM 052311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,935,487.58
LMS061911 LGE MAJOR STORM 061911	0.00	0.00	0.00	0.00	0.00	0.00	0.00	861,310.29
LMS071911 LGE MAJOR STORM 071911	0.00	0.00	0.00	0.00	0.00	0.00	0.00	516,536.71
LMS081311 LG&E MAJOR STORM 081311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	382,595.38
	13,866,592.47	1,982,820.42	5,725,973.78	2,172,237.44	6,107,323.22	5,405,074.79	1,535,592.96	6,814,289.66

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment for Injuries and Damages FERC Account 925
For the Twelve Months Ended December 31, 2011**

	Electric	Gas
1. Injury/Damage provision based upon ten year average	\$ 2,233,094	\$ 492,132
2. Injury/Damage expenses incurred during the 12 months ended December 31, 2011	2,523,088	750,642
3. Adjustment	\$ (289,994)	\$ (258,510)

Year	Electric	Gas	CPI-All Urban Consumers	Adjusted Electric	Adjusted Gas
2011	\$ 2,523,088	\$ 750,642	1.0000	\$ 2,523,088	\$ 750,642
2010	1,530,489	259,966	1.0316	1,578,852	268,181
2009	1,771,382	459,701	1.0485	1,857,294	481,996
2008	1,364,902	412,850	1.0448	1,426,050	431,346
2007	2,246,508	344,007	1.0849	2,437,237	373,213
2006	1,719,223	467,962	1.1158	1,918,309	522,152
2005	2,782,603	664,940	1.1518	3,205,002	765,878
2004	1,326,433	384,722	1.1908	1,579,516	458,127
2003	1,303,019	349,057	1.2225	1,592,941	426,722
2002	3,369,044	354,333	1.2504	4,212,653	443,058
Total				\$ 22,330,942	\$ 4,921,315
Ten Year Average				\$ 2,233,094	\$ 492,132

KU and LG&E FERC 913, 925, and 930.1 GL Totals GL Start Date : '01-JAN-11' , GL End Date : '31-DEC-11'

		Period Net		
		Electric	Gas	Sum
Company	FERC			
0100	913	25,095.44	8,365.15	33,460.59
	925	2,523,087.51	750,641.78	3,273,729.29
	930.1	487,584.38	195,409.76	682,994.14
LG&E	Sum	3,035,767.33	954,416.69	3,990,184.02
0110	913	33,460.59	NULL	33,460.59
	925	3,080,346.27	NULL	3,080,346.27
	930.1	795,813.82	NULL	795,813.82
KU	Sum	3,909,620.68		3,909,620.68

LOUISVILLE GAS AND ELECTRIC COMPANY

Period:<All> Company:0100

		Net Amount						
		C. Payables	D. Labor	E1. Burden Charges	G. Accounting Entries	H. Mass Allocations	Other	Account Totals
Account	Account Description							
925001	PUBLIC LIABILITY	228,837.20			984,292.03	-0.01		1,213,129.22
925002	WORKERS COMP EXPENSE - BURDENS			735,133.90	1,355,232.17	-31,292.34		2,059,073.73
925003	AUTO LIABILITY	113,670.31			-4,876.23	0.00		108,794.08
925004	SAFETY AND INDUSTRIAL HEALTH	10,541.04	54,225.16	13,317.22	52.57	0.04	8,102.39	86,238.42
925100	OTHER INJURIES AND DAMAGES	254,004.93	1,070.92	288.62	-462,498.16	0.00	168.21	-206,965.48
925902	WORKERS COMP EXPENSE - BURDENS INDIRECT					11,309.80		11,309.80
925904	SAFETY & INDUSTRIAL HEALTH - INDIRECT	2,149.50				0.02		2,149.52

TOTALS

609,202.98 55,296.08 748,739.74 1,872,202.38 -19,982.49 8,270.60 3,273,729.29

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

Exhibit 1
Reference Schedule 1.14

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Eliminate Advertising Expenses
Pursuant to Commission Rule 807 KAR 5:016
For the Twelve Months Ended December 31, 2011**

	<u>Electric</u>	<u>Gas</u>
1. Uniform System of Accounts - Account No. 930.1 General Advertising Expenses	\$ 487,584	\$ 195,410
2. Account No. 913 Advertising Expenses	<u>25,095</u>	<u>8,365</u>
3. Total	<u>\$ 512,679</u>	<u>\$ 203,775</u>
4. Adjustment	<u>\$ (512,679)</u>	<u>\$ (203,775)</u>

Income Statement Used for Input into FERC Form 3Q Period Name : 'JAN-2011, FEB-2011, MAR-2011, APR-2011, MAY-2011, JUN-2011, JUL-2011, AUG-2011, SEP-2011, OCT-2011, NOV-2011, DEC-2011' , Company : '0100, 0110' Excludes Org 999001

Company: Louisville Gas and Electric Company

Line Num	Account	Period: Net				Gas				Totals	Total	Electric	Gas
		1	2	3	4	1	2	3	4				
						1,000.00	61.73	1,262.50		9,296.93			
	909004	3,000.00	185.20	3,787.50									
	909010	940.52	1,949.06	1,787.22	7,074.00	313.51	649.69	595.74	2,358.00	15,667.74			
	909013	6,722.21	6,375.00	7,791.00	9,582.44	640.00	2,125.00	2,570.00	3,194.15	38,999.80			
	910001		1,914.38				638.13			2,552.51			
	910900	26,681.04	72,927.99	66,697.00	102,110.10	8,893.68	24,309.34	22,232.35	34,036.70	357,888.20			
	913012	7,702.80	7,621.67	6,503.47	3,267.50	2,567.60	2,540.55	2,167.83	1,089.17	33,460.59	25,095.44	8,365.15	
	920100	781,608.60	533,426.34	365,109.75	688,681.31	181,545.13	113,986.10	65,654.94	149,579.46	2,879,791.63			
	920900	3,849,498.07	3,499,507.79	3,564,178.62	3,322,415.71	907,027.34	825,249.81	836,465.95	784,968.72	17,589,312.01			
	921001			96.00	-96.00			24.00		0.00			
	921002	35,760.78	94,514.48	61,205.46	115,942.11	8,814.96	23,297.64	14,766.76	28,676.11	382,978.30			
	921003	296,695.93	187,526.21	274,798.16	404,187.58	73,834.49	47,459.90	63,066.20	99,195.34	1,446,763.81			
	921004	170,873.33	121,737.95	200,502.58	202,783.81	37,848.14	27,759.76	44,568.42	46,229.42	852,403.41			
	921902	193,053.52	110,717.16	91,067.62	127,586.04	35,403.01	22,064.22	17,281.36	26,265.58	623,438.51			
	921903	599,375.49	646,555.23	646,267.94	600,970.46	134,405.67	161,534.96	155,866.27	152,409.56	3,097,385.58			
	922004	-276,107.24	-238,558.95	-308,888.12	-315,711.89	-69,026.80	-59,839.74	-77,222.02	-78,927.98	-1,424,082.74			
	922002	-70,598.61	-62,290.75	-92,440.22	-94,567.81	-17,649.64	-15,572.69	-23,110.06	-23,641.95	-399,871.73			
	922003	-120,692.90	-127,076.68	-141,644.84	-122,635.38					-512,049.80			
	923100	-572,470.83	401,402.65	649,176.40	414,098.66	175,423.29	211,430.66	212,331.29	103,800.12	-1,595,192.24			
	923101	102,024.38	111,105.60	45,726.40	111,691.20	25,506.09	27,776.40	11,431.60	27,922.80	463,184.47			
	923301	4,033.48	4,033.48	4,033.48	4,033.48	1,008.37	1,008.37	1,008.37	1,008.37	20,167.40			
	923302	1,680.00	1,680.00	1,680.00	1,680.00	420.00	420.00	420.00	420.00	8,400.00			
	923900	417,600.07	567,141.64	761,029.56	1,090,615.73	78,952.19	79,619.94	77,197.31	151,633.45	3,223,789.89			
	924100	1,051,951.05	1,113,647.96	968,956.12	1,118,394.67	29,523.11	29,548.11	20,080.66	28,246.68	4,360,348.36			
	925001	62,876.49	337,935.05	230,579.78	338,463.39	22,753.90	90,355.89	66,974.24	63,190.48	1,213,129.22			
	925002	742,752.60	281,059.72	468,922.35	140,763.21	191,299.87	73,125.11			2,059,073.73			
	925003	23,427.23	15,002.74	42,434.44	6,833.38	3,527.34		1,414.19	16,154.76	108,794.08			
	925004	16,755.58	17,286.97	21,371.32	21,026.03	2,742.64	2,170.29	2,425.89	2,459.70	86,238.42			
	925100	-397,353.72	64,192.05	376.83	77,101.43	16,052.93	16,020.00			-1,309.80			
	925902	2,633.18	1,877.91	1,935.38	3,114.55	471.03	342.30	350.53	584.92	2,149.52			
	925904	45.00	802.00	670.62	202.00	11.25	200.50	167.65	50.50	177,404.36			
	926001	36,428.02	37,932.86	23,625.52	22,977.89	12,642.55	15,423.96	13,591.32	14,782.24	271,839.56			
	926002	41,427.81	58,427.84	61,045.05	53,255.11	12,973.44	14,776.11	16,571.02	13,363.18	8,119,517.32			
	926003	1,822,494.90	1,484,023.74	1,506,641.23	1,600,173.92	503,130.51	380,272.97	410,857.92	411,922.13	442,988.78			
	926004	92,498.53	93,145.96	96,487.38	67,820.27	26,216.34	23,812.17	26,559.38	16,448.75	260,189.79			
	926005	99,227.24	50,150.79	22,277.61	34,090.54	27,398.79	12,684.37	6,489.94	7,870.51	487,955.72			
	926019	243,763.11	191,203.28	45,882.37	-94,199.79	63,316.10	48,792.71	12,294.03	-23,096.09	5,310.00			
	926100	1,155.00	2,424.00	1,731.00						19,547,144.13			
	926101	4,288,713.78	3,930,795.18	3,650,350.93	3,584,366.47	1,141,052.18	1,005,690.97	1,014,318.91	931,855.71	2,703,118.08			
	926102	579,100.77	550,193.86	600,883.14	407,464.04	160,353.74	144,291.02	160,565.71	100,265.80	85,891.53			
	926105	128,255.70	95,642.45	178,226.33	-324,710.71	34,397.10	24,805.65	49,229.02	-99,954.01	5,755,309.58			
	926106	903,381.75	1,367,438.59	1,120,657.87	1,117,815.07	262,537.18	360,146.94	325,357.22	297,974.96	78,738.13			
	926110	19,237.71	10,688.87	12,173.60	20,890.08	4,809.49	2,672.32	3,043.46	5,222.60	423,793.80			
	926116	54,408.38	60,562.10	62,982.16	156,593.21	15,486.94	15,176.78	16,907.55	41,576.68				

Income Statement Used for Input into FERC Form 3Q Period Name : 'JAN-2011, FEB-2011, MAR-2011, APR-2011, MAY-2011, JUN-2011, JUL-2011, AUG-2011, SEP-2011, OCT-2011, NOV-2011, DEC-2011', Company : '0100, 0110' Excludes Org 999001

Company: Louisville Gas and Electric Company

Line Num	Account	Period Net				Totals				Total	Electric	Gas
		Prod	Electric	Gas	Other	1	2	3	4			
		Qtr										
			37,791.97	-32,656.51			3,028.66	-8,164.13				-0.01
	926117		205,374.60	-213,001.53			60,877.31	-53,250.38				0.00
	926901		21,428.07	26,914.07	23,844.43	22,206.91	4,103.35	5,617.98	4,563.17	4,632.03		113,308.01
	926902		34,746.64	21,551.77	22,473.81	15,712.35	6,216.64	3,927.34	4,070.88	2,910.92		111,610.35
	926903		521,712.77	479,936.02	595,969.40	456,228.84	93,342.25	87,457.23	107,953.23	84,698.18		2,427,297.92
	926904		36,157.02	28,899.73	30,125.94	22,448.24	6,468.99	5,266.30	5,457.07	4,164.95		138,988.24
	926905		39,636.43	19,063.36	13,193.80	15,911.00	7,091.38	3,423.14	2,390.01	2,977.67		103,686.79
	926911		714,863.04	1,088,760.52	1,186,221.31	1,190,859.05	127,899.58	198,794.66	214,870.77	222,241.83		4,944,510.76
	926912		233,915.02	214,314.07	223,285.07	92,808.87	41,850.88	39,053.90	40,445.59	16,909.15		902,582.55
	926915		26,377.31	24,323.21	29,158.84	22,671.06	4,719.26	4,432.43	5,281.65	4,210.23		124,173.99
	926916		90,791.82	91,250.68	96,403.59	96,746.34	18,244.08	16,638.29	17,462.54	18,054.85		443,592.19
	926917		20,123.80				3,600.41					23,724.21
	926918		17,584.80				3,146.17					20,730.97
	926919		21,863.36	61,488.74	22,605.93	-86,601.23	3,911.61	11,205.25	4,094.69	-16,503.83		22,064.52
	926990		31,173.27	25,259.22	26,299.90	53,124.91	5,577.31	4,602.80	4,763.92	9,998.03		160,799.36
	927001		10,367.02	6,602.46	6,082.00	8,368.74						31,420.22
	927003						136,374.96	139,707.66	141,242.91	144,226.66		561,552.21
	928002		154,218.98	231,923.59	117,309.59	153,693.00						657,145.16
	928003		131,897.04	131,897.04	131,897.04	131,897.04	60,783.75	60,783.75	60,783.75	60,783.75		770,723.16
	929001		-10,367.02	-6,602.46	-6,082.00	-8,368.74						-31,420.22
	929002		-198.53	-208.98	-202.16	-226.05						-835.72
	929003						-369,021.35	-147,943.86	-1,932.71	-71,715.68		-590,613.60
	929004			-70,061.23	-485.56	-21,106.46						-91,653.25
	930101		132,543.59	156,338.05	81,246.71	100,401.66	54,137.51	63,856.40	29,440.81	41,009.16		658,973.89
	930191		2,902.48	2,425.36	1,451.24	10,275.29	1,185.52	990.64	592.76	4,196.96		24,020.25
	Sum		17,745,562.23	17,995,246.55	17,927,474.89	17,303,494.63	4,389,161.75	4,193,427.34	4,340,795.69	3,926,166.05		87,821,329.13
	Net Income		17,745,562.23	17,995,246.55	17,927,474.89	17,303,494.63	4,389,161.75	4,193,427.34	4,340,795.69	3,926,166.05		87,821,329.13

682,994.14 487,584.38 195,409.76

Exhibit 1
Reference Schedule 1.15

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Remove Out-of-Period Items
For the Twelve Months Ended December 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. Revenue adjustment	\$ 2,862	\$ -
2. Expense adjustment	19,610	189
	<hr/>	<hr/>
3. Net adjustment	<u>\$ (16,748)</u>	<u>\$ (189)</u>

**Louisville Gas and Electric
Out-of-Period Adjustments**

(1) GL Period Entered	(2) Account	(3) Out of Period Month	(4) Out of Period Amt.	(5) Revenue	(5) Expense	(6) Journal Entry	(7) Description
Sep-11	930207	Oct-10	(70.00)		(70.00)	J203-0100-0911	Correct/clear old bank recon items
Sep-11	930207	Aug-10	(288.89)		(288.89)	J203-0100-0911	Correct/clear old bank recon items
Sep-11	930207	Sep-10	(431.40)		(431.40)	J203-0100-0911	Correct/clear old bank recon items
Sep-11	930207	Dec-10	(155.65)		(155.65)	J204-0100-0911	Correct/clear old bank recon items
Sep-11	571100	Oct-10	6,115.08		6,115.08	J425-0100-0911	No capital additions/material - tsf chgs to O&M
Sep-11	571100	Nov-10	1,266.40		1,266.40	J425-0100-0911	No capital additions/material - tsf chgs to O&M
Oct-11	570100	Dec-10	602.61		602.61	J428-0100-1011	No capital additions/material - tsf chgs to O&M
Nov-11	592100	Dec-10	132.61		132.61	J421-0100-1111	No capital additions/material - tsf chgs to O&M
Nov-11	573100	Dec-10	132.61		132.61	J421-0100-1111	No capital additions/material - tsf chgs to O&M
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(149.30)	(149.30)		J243-0100-1011	Correct Dynege Transmission Payable
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(2,712.89)	(2,712.89)		J243-0100-1011	Correct Dynege Transmission Payable
Sep-11	501100	Nov-10	(17,672.47)		(17,672.47)	J504-0100-0911	Correct Gas Startup and Stabilization
Sep-11	501102	Nov-10	(9,430.08)		(9,430.08)	J504-0100-0911	Correct Gas Startup and Stabilization
TOTAL ADJUSTMENT				(2,862.19)	(19,799.18)		
				<u>2,862.19</u>	<u>19,799.18</u>		
ELECTRIC				(2,862.19)	(18,853.24)		
GAS				-	-		
COMMON (80/20)				-	(945.94)		
TOTAL				<u>(2,862.19)</u>	<u>(19,799.18)</u>		

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Revenues and Expenses to Eliminate
Gas Supply Cost Recoveries and Gas Supply Expenses
During the Twelve Months Ended December 31, 2011**

	<u>Gas</u>
1. Cost recoveries in revenue for the 12 months ended December 31, 2011	\$ (172,491,115)
2. Gas supply expenses for the 12 months ended December 31, 2011	<u>(163,465,524)</u>
3. Net Adjustment	<u><u>\$ (9,025,591)</u></u>

Louisville Gas and Electric Company
Gas Supply Revenues
For the 12-months ended December 31, 2011

	Jan-11 Jan-11 GSC Billings	Feb-11 Feb. Billings at Previous Rate	Feb-11 Feb Billings at Current Rate	Feb-11 GSC Billings	Mar-11 Mar-11 GSC Billings	Apr-11 Apr-11 GSC Billings	May-11 May Billings at Previous Rate	May-11 May Billings at Current Rate	May-11 GSC Billings	Jun-11 Jun-11 GSC Billings	Jul-11 Jul-11 GSC Billings
Gas Supply Cost Component \$	5.3858	\$ 5.3858	\$ 5.2720	Prorated	\$ 5.2720	\$ 5.2720	\$ 5.2720	\$ 5.2720	\$ 5.6143	Prorated	\$ 5.6143
Pipeline Supplier Demand Component \$	0.8775			\$ 0.8839	\$ 0.8839	\$ 0.8839			\$ 0.8823	\$ 0.8823	\$ 0.8823
UCDI Daily Demand Charge \$	0.1848			\$ 0.1847	\$ 0.1847	\$ 0.1847			\$ 0.1850	\$ 0.1850	\$ 0.1850
Gas Supply Revenue											
Residential Rate RGS	\$ 26,198,589	\$ 12,670,843	\$ 8,067,578	\$ 20,738,421	\$ 14,538,458	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Total Rate RGS	\$ 26,198,589	\$ 12,670,843	\$ 8,067,578	\$ 20,738,421	\$ 14,538,458	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Firm Commercial Rate CGS	\$ 12,748,485	\$ 6,096,068	\$ 3,838,895	\$ 9,934,963	\$ 7,204,425	\$ 4,612,382	\$ 1,407,273	\$ 1,191,115	\$ 2,598,388	\$ 1,908,812	\$ 1,539,171
TS Transportation Rider to Rate CGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rate CGS	\$ 12,748,485	\$ 6,096,068	\$ 3,838,895	\$ 9,934,963	\$ 7,204,425	\$ 4,612,382	\$ 1,407,273	\$ 1,191,115	\$ 2,598,388	\$ 1,908,812	\$ 1,539,171
Firm Industrial Rate IGS	\$ 826,959	\$ 313,763	\$ 304,368	\$ 618,131	\$ 554,267	\$ 369,789	\$ 109,946	\$ 154,136	\$ 264,082	\$ 301,816	\$ 192,541
TS Transportation Rider to Rate IGS	\$ 5,089	\$ -	\$ -	\$ 1,759	\$ 1,890	\$ 1,826	\$ -	\$ -	\$ 1,842	\$ 4,816	\$ 4,780
Total Rate IGS	\$ 832,048	\$ 313,763	\$ 304,368	\$ 619,890	\$ 556,157	\$ 371,615	\$ 109,946	\$ 154,136	\$ 265,924	\$ 306,632	\$ 197,322
Rate AAGS-Commercial	\$ 101,050	\$ 30,623	\$ 9,178	\$ 39,801	\$ 112,439	\$ 52,796	\$ 10,537	\$ 5,357	\$ 15,893	\$ 80,805	\$ 33,806
Rate AAGS-Commercial-TS Transportation Rider	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate AAGS-Industrial	\$ 166,982	\$ 39,813	\$ 76,834	\$ 116,647	\$ 102,026	\$ 90,979	\$ 34,969	\$ 84,906	\$ 119,875	\$ 95,658	\$ 64,636
Rate AAGS-Industrial-TS Transportation Rider	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rate AAGS	\$ 268,032	\$ 70,436	\$ 86,012	\$ 156,448	\$ 214,465	\$ 143,775	\$ 45,506	\$ 90,263	\$ 135,769	\$ 176,463	\$ 98,442
Special Contract-LG&E Mill Creek/Cane Run	\$ 230,274	\$ -	\$ -	\$ 185,891	\$ 163,567	\$ 495,934	\$ -	\$ -	\$ 250,701	\$ 383,900	\$ 345,583
Special Contract-LG&E Paddy's Run Cashouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,334	\$ -	\$ -	\$ 1,205	\$ 952	\$ 26,533
Total LG&E Special Contract	\$ 230,274	\$ -	\$ -	\$ 185,891	\$ 163,567	\$ 501,268	\$ -	\$ -	\$ 251,906	\$ 384,853	\$ 372,116
FT Cashouts	\$ 35,776	\$ -	\$ -	\$ 205	\$ 8,680	\$ 53,888	\$ -	\$ -	\$ 27,232	\$ 4,246	\$ 36,380
Rate FT - UCDI Daily Demand Charges	\$ 31,375	\$ -	\$ -	\$ 19,646	\$ 16,927	\$ 17,506	\$ -	\$ -	\$ 16,519	\$ 10,886	\$ 13,172
Rate FT OFO Charges	\$ 756	\$ -	\$ -	\$ 2,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rate FT	\$ 67,907	\$ -	\$ -	\$ 22,448	\$ 25,607	\$ 71,394	\$ -	\$ -	\$ 43,750	\$ 15,132	\$ 49,552
Special Contracts	\$ -	\$ -	\$ -	\$ 3,100	\$ 1,907	\$ 4,275	\$ -	\$ -	\$ -	\$ -	\$ -
Off-System Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing Adjustments	\$ 3,491	\$ -	\$ -	\$ 456	\$ 1,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Gas Supply Revenue	\$ 40,348,826	\$ -	\$ -	\$ 31,661,619	\$ 22,706,230	\$ 14,995,078	\$ -	\$ -	\$ 7,979,633	\$ 5,842,849	\$ 4,411,872

Louisville Gas and Electric Company
Gas Supply Revenues
For the 12-months ended December 31, 2011

	Aug-11 Aug. Billings at Previous Rate	Aug-11 Aug. Billings at Current Rate	Aug-11 GSC Billings	Sep-11 Sep-11 GSC Billings	Oct-11 Oct-11 GSC Billings	Nov-11 Nov Billings at Previous Rate	Nov-11 Nov Billings at Current Rate	Nov-11 GSC Billings	Dec-11 Dec-11 GSC Billings	12 Mos. Ended December 1, 2011
Gas Supply Cost Component	\$ 5.6143	\$ 5.6050	Prorated \$ 0.8783	\$ 5.6050 \$ 0.8783	\$ 5.6050 \$ 0.8783	\$ 5.6050	\$ 5.1602	Prorated \$ 0.8227	\$ 5.1602 \$ 0.8227	
Pipeline Supplier Demand Component			\$ 0.1846	\$ 0.1846	\$ 0.1846			\$ 0.1720	\$ 0.1720	
UCDI Daily Demand Charge										
Gas Supply Revenue										
Residential Rate RGS	\$ 999,111	\$ 1,014,992	\$ 2,014,104	\$ 2,198,760	\$ 3,220,061	\$ 3,596,105	\$ 3,386,914	\$ 6,983,020	\$ 11,872,576	\$ 106,944,479
Total Rate RGS	\$ 999,111	\$ 1,014,992	\$ 2,014,104	\$ 2,198,760	\$ 3,220,061	\$ 3,596,105	\$ 3,386,914	\$ 6,983,020	\$ 11,872,576	\$ 106,944,479
Firm Commercial Rate CGS	\$ 779,882	\$ 689,312	\$ 1,469,194	\$ 1,727,577	\$ 2,096,444	\$ 1,705,239	\$ 1,467,969	\$ -	\$ -	\$ -
TS Transportation Rider to Rate CGS	\$ 779,882	\$ 689,312	\$ 1,469,194	\$ 1,727,577	\$ 2,096,444	\$ 1,705,239	\$ 1,467,969	\$ 3,173,208	\$ 5,564,136	\$ 54,577,186
Total Rate CGS	\$ 1,559,764	\$ 1,378,624	\$ 2,938,388	\$ 3,455,154	\$ 4,192,888	\$ 3,410,478	\$ 2,935,938	\$ 3,173,208	\$ 5,564,136	\$ 54,577,186
Firm Industrial Rate IGS	\$ 121,916	\$ 127,102	\$ 249,017	\$ 241,322	\$ 290,432	\$ 154,966	\$ 184,863	\$ 5,020	\$ 2,976	\$ 41,053
TS Transportation Rider to Rate IGS	\$ 121,916	\$ 127,102	\$ 3,070	\$ 3,943	\$ 4,043	\$ 154,966	\$ 184,863	\$ 344,848	\$ 415,513	\$ 4,701,777
Total Rate IGS	\$ 243,832	\$ 254,204	\$ 252,087	\$ 245,265	\$ 294,475	\$ 154,966	\$ 184,863	\$ 344,848	\$ 415,513	\$ 4,701,777
Rate AAGS-Commercial	\$ 15,037	\$ 26,711	\$ 41,749	\$ 49,257	\$ 49,657	\$ 205,700	\$ 33,902	\$ 239,602	\$ 117,290	\$ 934,145
Rate AAGS-Commercial-TS Transportation Rider	\$ 21,790	\$ 34,939	\$ 56,729	\$ 35,055	\$ 94,146	\$ 19,095	\$ 53,897	\$ 72,992	\$ 75,043	\$ 1,090,769
Rate AAGS-Industrial	\$ 36,827	\$ 61,651	\$ 98,478	\$ 84,312	\$ 143,804	\$ 224,795	\$ 87,799	\$ 312,593	\$ 192,333	\$ 2,024,914
Rate AAGS-Industrial-TS Transportation Rider	\$ 36,827	\$ 61,651	\$ 492,186	\$ 221,897	\$ 307,610	\$ -	\$ -	\$ 235,227	\$ 255,148	\$ 3,567,917
Total Rate AAGS	\$ 73,654	\$ 123,301	\$ 513,966	\$ 205,644	\$ 307,610	\$ -	\$ -	\$ 235,311	\$ 262,114	\$ 3,614,520
Special Contract-LG&E Mill Creek/Cane Run	\$ -	\$ -	\$ 59,556	\$ 2,403	\$ 42,185	\$ -	\$ -	\$ 68,787	\$ 38,025	\$ 377,362
Special Contract-LG&E Paddy's Run Cashouts	\$ -	\$ -	\$ 9,266	\$ 13,750	\$ 24,249	\$ -	\$ -	\$ 17,091	\$ 20,695	\$ 211,081
Total LG&E Special Contract	\$ -	\$ -	\$ 68,822	\$ 16,153	\$ 66,434	\$ -	\$ -	\$ 85,877	\$ 58,720	\$ 591,796
FT Cashouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,353
Rate FT - UCDI Daily Demand Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate FT OFO Charges	\$ -	\$ -	\$ 68,822	\$ 16,153	\$ 66,434	\$ -	\$ -	\$ 17,138	\$ 3,157	\$ 30,852
Total Rate FT	\$ -	\$ -	\$ 68,822	\$ 16,153	\$ 66,434	\$ -	\$ -	\$ 17,138	\$ 3,157	\$ 30,852
Special Contracts	\$ -	\$ -	\$ 907	\$ -	\$ 366	\$ -	\$ -	\$ -	\$ -	\$ -
Off-System Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Billing Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,591
Total Gas Supply Revenue			\$ 4,417,558	\$ 4,477,711	\$ 6,129,194			\$ 11,151,996	\$ 18,368,549	\$ 172,491,115

Louisville Gas and Electric Company
Gas Supply Expenses
For the 12-months ended December 31, 2011

Gas Supply Expense	Total 12 mos. ended 12/31/2011
Purchased Gas	\$ 161,475,013
Gas to Storage	(55,399,465)
Gas from Storage	59,838,142
Other Supply Expenses	34,056
Other Electric Credits	(66,949)
Total Gas Supply Expenses	165,880,798
Purchased Gas - Wholesale Sales	1,771,814
Wholesale Sales Margin	(34,607)
Acquisition and Transportation Incentive	(3,318,374)
Performanced-Based Ratemaking Recovery	1,855,579
Other Gas Credits	(671,968)
Refunds	(325,178)
Gas Supply Actual Adjustment	(4,924,827)
Gas Cost Balance Adjustment	270,499
Procurement Expenses	731,890
Underground Gas Storage Losses	2,229,899
Net Gas Supply Expense	163,465,524

Source: LG&E Financial Report, page 41 -- MCF Sendout and Supply Cost
Year Ended Current Month

Louisville Gas and Electric Company
Mcf Sendout and Supply Cost
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Mcf Sendout						
Purchased Gas	2,746,051	5,706,876	32,240,929	36,938,117	32,240,929	36,938,117
Gas to Storage	(6,025)	(404,016)	(12,062,118)	(12,744,380)	(12,062,118)	(12,744,380)
Gas from Storage	1,975,679	2,251,740	12,297,566	11,623,292	12,297,566	11,623,292
Total Mcf Sendout Retail	4,715,705	7,554,600	32,476,377	35,817,029	32,476,377	35,817,029
Purchased Gas - Wholesale Sales	-	-	442,235	253,840	442,235	253,840
Total Mcf Sendout	4,715,705	7,554,600	32,918,612	36,070,869	32,918,612	36,070,869
Other Credits	(24,373)	(19,390)	(150,757)	(135,484)	(150,757)	(135,484)
Net Mcf Sendout	<u>4,691,332</u>	<u>7,535,210</u>	<u>32,767,855</u>	<u>35,935,385</u>	<u>32,767,855</u>	<u>35,935,385</u>
Gas Supply Expense (\$)						
Purchased Gas	\$ 12,848,161.25	\$ 29,210,959.94	\$ 161,475,013.44	\$ 200,008,898.47	\$ 161,475,013.44	\$ 200,008,898.47
Gas to Storage	(28,189.77)	(2,084,682.16)	(55,399,464.96)	(63,075,768.33)	(55,399,464.96)	(63,075,768.33)
Gas from Storage	9,181,770.58	11,099,501.98	59,838,142.45	56,983,855.16	59,838,142.45	56,983,855.16
Other Supply Expenses	2,688.59	3,356.22	34,055.62	33,208.38	34,055.62	33,208.38
Other Electric Credits	(5,820.11)	(15,987.34)	(66,948.89)	(93,573.25)	(66,948.89)	(93,573.25)
Total Gas Supply Expenses	21,998,610.54	38,213,148.64	165,880,797.66	193,856,620.43	165,880,797.66	193,856,620.43
Purchased Gas - Wholesale Sales	-	-	1,771,813.76	917,088.92	1,771,813.76	917,088.92
Wholesale Sales Margin	-	-	(34,606.55)	(27,230.72)	(34,606.55)	(27,230.72)
Acquisition and Transportation Incentive	(1,880,374.00)	(730,759.00)	(3,318,374.00)	(1,835,759.00)	(3,318,374.00)	(1,835,759.00)
Performance-Based Ratemaking Recovery	209,198.06	269,626.62	1,855,579.42	2,102,157.48	1,855,579.42	2,102,157.48
Other Gas Credits	(107,442.95)	(79,865.27)	(671,968.23)	(569,574.64)	(671,968.23)	(569,574.64)
Refunds	(53,578.85)	(52,097.47)	(325,178.17)	(173,289.08)	(325,178.17)	(173,289.08)
Gas Cost Actual Adjustment	620,687.60	178,261.98	(4,924,826.86)	(26,000,191.56)	(4,924,826.86)	(26,000,191.56)
Gas Cost Balance Adjustment	23,749.16	77,089.39	270,498.67	30,322.09	270,498.67	30,322.09
Procurement Expenses	123,325.66	125,665.81	731,890.00	703,464.13	731,890.00	703,464.13
Net Gas Supply Expenses	<u>\$ 20,934,175.22</u>	<u>\$ 38,001,070.70</u>	<u>\$ 161,235,625.70</u>	<u>\$ 169,003,608.05</u>	<u>\$ 161,235,625.70</u>	<u>\$ 169,003,608.05</u>
Unit Supply Costs (\$)						
Purchased Gas	\$ 4.679	\$ 5.119	\$ 5.008	\$ 5.415	\$ 5.008	\$ 5.415
Gas to Storage	4.679	5.160	4.593	4.949	4.593	4.949
Gas from Storage	4.647	4.929	4.866	4.903	4.866	4.903
Net Supply Cost	<u>\$ 4.462</u>	<u>\$ 5.043</u>	<u>\$ 4.921</u>	<u>\$ 4.703</u>	<u>\$ 4.921</u>	<u>\$ 4.703</u>
Underground Gas Storage Losses Charged to Storage Expenses	<u>\$ 217,688.87</u>	<u>\$ 235,931.08</u>	<u>\$ 2,229,898.70</u>	<u>\$ 2,319,049.45</u>	<u>\$ 2,229,898.70</u>	<u>\$ 2,319,049.45</u>

January 26, 2012

Exhibit 1
Reference Schedule 1.17

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Revenues for Temperature Normalization
For the Twelve Months Ended December 31, 2011

	<u>Gas</u>
1. Revenues	<u>\$ 408,729</u>

**Louisville Gas and Electric Company
 Temperature Normalization Adjustment
 For the 12-months ended December 31, 2011**

SUMMARY

	MCF	Annual Revenue	Less: Revenue Billed under Weather Normalization Clause	Net Adjustment to Revenue
Residential Rate RGS - see page 3	282,254.1	\$ 632,136	\$ 548,890	\$ 83,246
Commercial Rate CGS - see page 3	190,207.7	356,107	165,180	190,927
Industrial Rate IGS - see page 2	11,121.0	21,154		21,154
Rate AAGS - see page 2	25,226.7	13,250		13,250
Rate FT - see page 2	240,201.9	103,287		103,287
Special Contracts - see page 2	6,076.1	(3,582)		(3,582)
Total	755,087.5	\$ 1,122,352	\$ 714,071	\$ 408,281

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months ended December 31, 2011**

CUSTOMERS NOT BILLED UNDER WEATHER NORMALIZATION ADJUSTMENT CLAUSE

	Actual	Normal	Normal over (under)Actual
Billing Cycle Heating Degree Days	4,016	4,130	114
Calendar Month Degree Days	3,773	4,128	355

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Total MCF Sales & Trans.	Non-Temp Sales & Trans. (Jul - Aug)	Non-Temp Sales & Trans. Full Year col 2 x 6	Temp Sensitive Sales & Trans. col 1 - col 3	Actual Degree Days	Mcf per Degree Day col 4 / col 5	Normal Degree Days	Departure From Normal col 7 - col 5	Normal Temp Adjustment col 6 x col 8	Net Revenue Per Mcf Sold	Net Revenue Adjustment col 9 x col 10
Industrial Rate IGS	863,890	78,687	472,119	391,771	4,016	98	4,130	114	11,121	1.9022	\$ 21,154
As Available Gas Service (AAGS)											
Commercial	160,450	6,021	36,128	124,321	3,773	33	4,128	355	11,697	0.5252	6,143
Industrial	212,869	11,513	69,077	143,793	3,773	38	4,128	355	13,529	0.5252	7,106
Total Rate AAGS	373,319	17,534	105,205	268,114	3,773	71			25,227		13,250
Rate FT	10,285,764	1,288,810	7,732,858	2,552,907	3,773	677	4,128	355	240,202	0.4300	103,287
Special Contracts	1,577,936	252,226	1,513,358	64,578	3,773	17	4,128	355	6,076	-0.5896	(3,582)
Total Net Temperature Normalization Adjustment for Customers Not Billed Under the WNA											<u>\$ 134,109</u>

Notes:

Non-Temperature Sensitive Sales and Transportation are based on July and August deliveries.

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months ended December 31, 2011**

CUSTOMERS BILLED UNDER WEATHER NORMALIZATION ADJUSTMENT CLAUSE

			Normal over/(under) Actual	
	Actual	Normal	WNA Months	12 Months
Billing Cycle Degree Days				
12 mos. Ended December 31, 2011	4,016	4,130		114
WNA Months - Jan-Apr11; Nov-Dec11	3,751	3,850	99	

Degree Days over Normal for 12 months as compared to WNA Period - 1.1515

	Mcf	Unit Price	Revenue
<u>Residential Rate RGS</u>			
Actual Billing Adjustments (Mcf and Revenue) under WNA - 6 mos. (see page 4)	245,115.4	\$	548,890
Degree Day Deficiency for 12 months as compared to WNA Period -	1.1515		
Calculated Adjustment (Mcf and Revenue) to Temperature Normalize for 12 months -	282,254.1	\$ 2.2396	\$ 632,136
Net Adjustment for Residential Rate RGS			\$ 83,246
<u>Commercial Rate CGS</u>			
Actual Billing Adjustments (Mcf and Revenue) under WNA - 5 mos. (see page 4)	165,180.4	\$	165,180
Degree Day Deficiency for 12 months as compared to WNA Period -	1.1515		
Calculated Adjustment (Mcf and Revenue) to Temperature Normalize for 12 months -	190,207.7	\$ 1.8722	\$ 356,107
Net Adjustment for Residential Rate CGS			\$ 190,927
Total Net Temperature Normalization Adjustment for Customers Billed Under the WNA			<u>\$ 274,172</u>

Louisville Gas and Electric Company
 Temperature Normalization Adjustment
 For the 12-months ended December 31, 2011

SUMMARY OF ACTUAL MONTHLY BILLINGS UNDER THE WEATHER NORMALIZATION ADJUSTMENT CLAUSE

	Jan. 2011	Feb. 2011	Mar. 2011	Apr. 2011	Nov. 2011	Dec. 2011	Total
BILLINGS:							
Rate RGS	\$ (1,516,883)	\$ (764,369)	\$ 1,081,930	\$ 620,052	\$ 186,069	\$ 942,091	\$ 548,890
Rate CGS	(598,259)	(276,050)	412,215	223,124	71,025	333,125	165,180
Total Billings	\$ (2,115,142)	\$ (1,040,419)	\$ 1,494,145	\$ 843,176	\$ 257,094	\$ 1,275,216	\$ 714,071
APPLICABLE MCF:							
Rate RGS	(677,282.9)	(341,301.6)	483,100.0	276,863.1	83,081.8	420,655.0	245,115.4
Rate CGS	(319,570.7)	(147,442.8)	220,165.0	119,171.4	37,934.7	177,915.8	88,173.4
Total Mcf	(996,853.6)	(488,744.4)	703,265.0	396,034.5	121,016.5	598,570.8	333,288.8

Note: WNA Billings are included in "Sales." However, the applicable volumes used to compute the Billings are not included

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Composite Federal and Kentucky
Income Tax Rate
(Based on Law in Effect January 1, 2012)**

1. Assume pre-tax income of		\$ 100.0000
2. State income tax at 6.00%		5.8230
3. Taxable income for Federal income tax before production deduction		94.1770
Production Rate	9%	
Allocation to Production Income	0.4916	
Allocated Production Rate	4.42%	
4. Less: Production tax deduction (4.42% of Line 3)		4.1626
5. Taxable income for Federal income tax (Line 3 - Line 4)		90.0144
6. Federal income tax at 35% (Line 5 x 35%)		31.5050
7. Total State and Federal income taxes (Line 2 + Line 6)		\$ 37.3280
8. Therefore, the composite rate is:		
9. Federal	31.5050%	
10. State	5.8230%	
11. Total	37.3280%	

State Income Tax Calculation

1. Assume pre-tax income of		\$ 100.0000
2. Less: Production tax deduction (6% x 0.4916) (1)		2.9496
3. Taxable income for State income tax		97.0504
4. State Tax Rate		6.0000%
5. State Income Tax		5.8230

Notes: (1) Pursuant to KRS 141.010(11)(c) and (13)(c), for taxable years beginning on or after January 1, 2010, the amount of domestic production activities deduction calculated at six percent (6%) as allowed in Section 199(a)(2) of the Internal Revenue Code for taxable years beginning before 2010.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Current Tax Adjustment Resulting
From "Interest Synchronization"**

	Electric	Gas
1. Adjusted Capitalization - Exhibit 2	\$ 1,993,816,113	\$ 510,209,583
2. Weighted Cost of Debt - Exhibit 2	1.70%	1.70%
3. "Interest Synchronization"	\$ 33,894,874	\$ 8,673,563
4. Interest per books (excluding other interest)	34,065,631	8,878,601
5. "Interest Synchronization" adjustment (Line 4 - 3)	\$ 170,757	\$ 205,038
6. Composite Federal and State tax rate	37.3280%	37.3280%
7. Current tax adjustment from "Interest Synchronization"	\$ 63,740	\$ 76,537

SUPPORT FOR PER BOOKS INTEREST CALCULATION

	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
Total Interest per books (a)	44,659,694		
Less: Customer Deposits Interest	1,383,635		
Less: Other Tax Deficiencies Interest	14,000		
Less: Interest on DSM Recovery	15,098		
Total Interest per books excluding other interest	<u>43,246,961</u>		
Electric and Gas Allocation Percent (b)	<u>100.000%</u>	79.470%	20.530%
Interest per books	<u>43,246,961</u>	<u>34,368,360</u>	<u>8,878,601</u>
ECR Allocation Percent (b)	0.700%		
ECR Interest per books	<u>302,729</u>	(302,729)	
Interest per books excluding ECR interest		<u><u>34,065,631</u></u>	<u><u>8,878,601</u></u>

(a) Financial Report page 12

(b) Supporting Schedule-Exhibit 3, Page 1, Line 21

Louisville Gas and Electric Company
Analysis of Interest Charges
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Interest on Long-Term Debt						
Loan Agreement - Pollution Control Bonds						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 17,895.82	\$ 111,979.17	\$ 1,249,666.70	\$ 1,343,749.92	\$ 1,249,666.70	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	17,222.57	33,912.71	190,871.84	391,280.96	190,871.84	391,280.96
Jefferson County 2001 Series A due 09/01/26 Var%.....	920.59	3,600.95	19,062.75	47,135.13	19,062.75	47,135.13
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,868.50	23,886.98	166,740.43	188,907.55	166,740.43	188,907.55
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,376.72	23,541.10	272,311.80	356,505.13	272,311.80	356,505.13
Trimble County 2001 Series A due 09/01/26 Var%.....	7,707.53	12,845.88	98,532.88	165,015.07	98,532.88	165,015.07
Trimble County 2001 Series A due 10/01/32 Var%.....	3,538.67	16,258.48	112,134.76	294,966.89	112,134.76	294,966.89
Trimble County 2001 Series B due 11/01/27 Var%.....	13,568.50	23,541.10	270,890.13	356,549.22	270,890.13	356,549.22
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	2,350,933.23	-	2,350,933.23	-
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	2,299,999.98	2,299,999.91	2,299,999.98	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,743,749.88	1,743,749.95	1,743,749.88	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	648,364.50	-	648,364.50	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,760,000.00	2,760,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	695,186.64	703,043.52	7,772,721.91	7,698,340.31	7,772,721.91	7,698,340.31
Loan Agreement - First Mortgage Bonds						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.66	338,541.67	4,062,499.99	507,812.51	4,062,499.99	507,812.51
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	1,217,187.50	14,606,250.00	1,825,781.25	14,606,250.00	1,825,781.25
Fidelity/PPL.....	-	-	-	23,320,575.03	-	23,320,575.03
Revolving Credit Agreement.....	-	318,393.33	185,005.01	594,678.34	185,005.01	594,678.34
Total.....	3,156,393.86	3,393,711.56	38,809,735.79	43,895,047.17	38,809,735.79	43,895,047.17
Amortization of Debt Expense - Net						
Amortization of Debt/Discount Expense.....	159,869.70	170,036.09	2,098,126.45	453,375.01	2,098,126.45	453,375.01
Amortization of Loss on Recquired Debt.....	102,314.11	101,002.98	1,213,346.78	1,211,250.73	1,213,346.78	1,211,250.73
Total.....	262,183.81	271,039.07	3,311,473.23	1,664,625.74	3,311,473.23	1,664,625.74
Other Interest Charges						
Customers' Deposits.....	115,726.44	112,067.13	1,383,634.99	1,388,906.46	1,383,634.99	1,388,906.46
Other Tax Deficiencies.....	-	-	14,000.00	(17,500.00)	14,000.00	(17,500.00)
Interest on DSM Cost Recovery.....	1,214.55	1,263.02	15,097.52	26,415.24	15,097.52	26,415.24
Interest on Debt to Associated Companies.....	201.37	648.33	9,663.09	262,421.88	9,663.09	262,421.88
Other Interest Expense.....	55,282.18	160,471.71	1,116,089.00	942,770.17	1,116,089.00	942,770.17
Total.....	172,424.54	274,450.19	2,538,484.60	2,603,013.75	2,538,484.60	2,603,013.75
Total Interest.....	\$ 3,591,002.21	\$ 3,939,200.82	\$ 44,659,693.62	\$ 48,162,686.66	\$ 44,659,693.62	\$ 48,162,686.66

January 26, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Prior Period Income Tax True-Ups and Adjustments
For the Twelve Months Ended Decmber 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. Prior Year Income Tax True-up:		
2. Federal Tax expense (benefit)	\$ (7,250,784)	\$ 8,292,380
3. State Tax expense (benefit)	<u>(1,808,023)</u>	<u>1,576,729</u>
4. Total Income Tax True-up	\$ (9,058,807)	\$ 9,869,109
5. Other Tax adjustments:		
6. Kentucky Coal Credit	<u>\$ (344,370)</u>	<u>\$ -</u>
7. Total Other Tax adjustments:	\$ (344,370)	\$ -
8. Federal benefit for State Tax adjustments	<u>\$ 753,338</u>	<u>\$ (551,855)</u>
9. Total adjustments (Line 4 + Line 7 + Line 8)	<u><u>\$ (8,649,839)</u></u>	<u><u>\$ 9,317,254</u></u>
10. Total Adjustment	<u><u>\$ 8,649,839</u></u>	<u><u>\$ (9,317,254)</u></u>

Louisville Gas and Electric Company

	12ME 12/31/2011	12ME 12/31/2011	12ME 12/31/2011	12ME 12/31/2011
Development of Income Taxes	FEDERAL Electric	STATE Electric	FEDERAL Gas	STATE Gas
Operating Income Before Tax				
Operating Income	143,003,357	143,003,357	24,763,244	24,763,244
Add Back: Income Taxes	46,856,558	46,856,558	24,801,495	24,801,495
SUBTOTAL	189,859,915	189,859,915	49,564,739	49,564,739
Interest expense	(35,225,878)	(35,225,878)	(9,433,815)	(9,433,815)
Customer deposits	1,091,707	1,091,707	291,928	291,928
Other interest expense taxed below the line	11,912	11,912	17,186	17,186
State income tax	(6,333,816)		(3,943,391)	
Fuel Credit	-	-	-	-
Sec. 199 Manufacturing Deduction	(2,299,901)	(3,888,462)	-	-
Meals	76,884	76,884	18,035	18,035
OPERATING TAXABLE INCOME	147,180,823	151,926,078	36,514,682	40,458,073
	51,513,288	9,115,565	12,780,139	2,427,484
Adjustments:				
Tax return true-up	1,573,963 (1)	(15,329) (2)	(8,481) (3)	(412) (4)
TC2 Basis Adjustment	214,713	36,808	-	-
203(E) Excess deferred taxes - prior year	(8,824,747) (1)	(1,792,694) (2)	8,300,861 (3)	1,577,141 (4)
203(E) Excess deferred taxes	(863,820)	(666,164)	(79,096)	(60,822)
Credits	(420,245)	-	-	-
Coal Credit	-	(344,370)	-	-
Total Operating Income Tax	43,193,152	6,333,816	20,993,423	3,943,391
General Ledger	43,193,153	6,333,816	20,993,423	3,943,392
Difference	(1)	(0)	(0)	(1)

$$\textcircled{1} = (7,250,784)$$

$$\textcircled{2} = (1,808,023)$$

$$\textcircled{3} = (8,292,380)$$

$$\textcircled{4} = 1,576,729$$

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Revenue Gross Up Factor
(Based on Law in Effect January 1, 2012)**

	STATE	FEDERAL
1. Assume pre-tax income of	\$ 100.000000	\$ 100.000000
2. Bad Debt at .4200%	0.420000	0.420000
3. PSC Assessment at .1529%	0.152900	0.152900
4. Production Tax Credit-State (Reference Schedule 1.18)	2.949600	
5. Taxable income for State income tax	96.477500	99.427100
6. State income tax at 6.00%	5.788650	5.788650
7. Production Tax Credit-Federal (Reference Schedule 1.18)		4.162622
8. Taxable income for Federal income tax		89.475828
9. Federal income tax at 35%		31.316540
10. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 9)		37.678090
11. Assume pre-tax income of		\$ 100.000000
12. Gross Up Revenue Factor		62.321910

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at December 31, 2011

	Per Books 12-31-11 (1)	Capital Structure (2)	Rate Base Percentage (Exhibit 3 Line 20) (3)	Capitalization (Col 1 x Col 3) (4)	Adjustments to Capitalization (Col 8, Pg 2) (5)	Adjusted Capitalization (Col 4 + Col 5) (6)	Adjusted Capital Structure (7)	Annual Cost Rate (8)		Cost of Capital (Col 8 x Col 7) (9)
<u>ELECTRIC</u>										
1. Short Term Debt	\$ -	0.00%	79.47%	\$ -	\$ -	\$ -	0.00%	0.45%	(a)	0.00%
2. Long Term Debt	1,105,635,542	44.54%	79.47%	878,648,565	9,348,214	887,996,779	44.54%	3.81%	(a)	1.70%
3. Common Equity	1,376,845,592	55.46%	79.47%	1,094,179,192	11,640,142	1,105,819,334	55.46%	10.75%	(b)	5.96%
4. Total Capitalization	<u>\$ 2,482,481,134</u>	<u>100.00%</u>		<u>\$ 1,972,827,757</u>	<u>\$ 20,988,356</u>	<u>\$ 1,993,816,113</u>	<u>100.00%</u>			<u>7.66%</u>
<u>GAS</u>										
1. Short Term Debt	\$ -	0.00%	20.53%	\$ -	\$ -	\$ -	0.00%	0.45%	(a)	0.00%
2. Long Term Debt	1,105,635,542	44.54%	20.53%	226,986,977	247,734	227,234,711	44.54%	3.81%	(a)	1.70%
3. Common Equity	1,376,845,592	55.46%	20.53%	282,666,400	308,472	282,974,872	55.46%	10.75%	(b)	5.96%
4. Total Capitalization	<u>\$ 2,482,481,134</u>	<u>100.00%</u>		<u>\$ 509,653,377</u>	<u>\$ 556,206</u>	<u>\$ 510,209,583</u>	<u>100.00%</u>			<u>7.66%</u>

- (a) Embedded cost as of December 31, 2011
(b) Threshold Rate of Return on Common Equity (Section 2.3)

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at December 31, 2011

	Capitalization (Col 6, Pg 1) (1)	Capital Structure (2)	Trimble County Inventories (c) (Col 2 x Col 3 Line 4) (3)	Investments in OVEC and Other (Col 2 x Col 4 Line 4) (4)	JDIC (Col 2 x Col 5 Line 4) (5)	Environmental Compliance Plans (d) (Col 2 x Col 6 Line 4) (6)	Advanced Coal Investment Tax Credit (Col 2 x Col 7 Line 4) (7)	Total Adjustments To Capital (8)
ELECTRIC								
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Long Term Debt	878,648,565	44.54%	(1,551,533)	(269,986)	8,474,227	(7,609,506)	10,305,012	9,348,214
3. Common Equity	1,094,179,192	55.46%	(1,931,927)	(336,179)	10,551,877	(9,475,151)	12,831,522	11,640,142
4. Total Capitalization	<u>\$ 1,972,827,757</u>	<u>100.00%</u>	<u>\$ (3,483,459)</u>	<u>\$ (606,165)</u>	<u>\$ 19,026,104</u>	<u>\$ (17,084,657)</u>	<u>\$ 23,136,534</u>	<u>\$ 20,988,356</u>

GAS

1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Long Term Debt	226,986,977	44.54%	-	-	247,734	-	-	247,734
3. Common Equity	282,666,400	55.46%	-	-	308,472	-	-	308,472
4. Total Capitalization	<u>\$ 509,653,377</u>	<u>100.00%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,206</u>

(c) Trimble County 1 Inventories @ December 31, 2011

Stores	\$ 5,413,853
Stores Expense	1,016,325
Coal	7,002,879
Limestone	282,358
Fuel Oil	217,827
Emission Allowances	595
Total Trimble County Inventories	<u>\$ 13,933,838</u>
Multiplied by Disallowed Portion	25.00%
Trimble County Inv. Disallowed	<u>\$ 3,483,459</u>

(d) Environmental Compliance Plans:

Total ECR Rate Base at 12/31/11	\$ 75,643,460
Less: ECR Rate Base Roll-In '05 and '06 Plans	58,558,803
Net ECR Rate Base	<u>\$ 17,084,657</u>

Louisville Gas and Electric Company
Comparative Balance Sheets as of December 31, 2011 and 2010

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,897,295,931.52	\$ 4,748,839,654.01	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,117,873,452.51</u>	<u>2,043,099,789.34</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
			Paid-In Capital.....	83,581,499.00	83,581,499.00
Total.....	<u>2,779,422,479.01</u>	<u>2,705,739,864.67</u>	Other Comprehensive Income.....	-	-
			Retained Earnings.....	<u>868,929,557.39</u>	<u>827,993,251.96</u>
Investments			Total Proprietary Capital.....	<u>1,376,845,591.84</u>	<u>1,335,909,286.41</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00			
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>28,846,730.20</u>	<u>18,763,173.33</u>	First Mortgage Bonds.....	531,331,542.44	531,051,682.50
Total.....	<u>29,452,895.40</u>	<u>19,369,338.53</u>	LT Notes Payable to Associated Companies.....	-	-
			Total Long-Term Debt.....	<u>1,105,635,542.44</u>	<u>942,155,682.50</u>
Current and Accrued Assets			Total Capitalization.....	<u>2,482,481,134.28</u>	<u>2,278,064,968.91</u>
Cash.....	24,920,484.53	2,025,606.25			
Special Deposits.....	12,277.00	3,511,014.88	Current and Accrued Liabilities		
Temporary Cash Investments.....	33,063.99	100,405.59	ST Notes Payable to Associated Companies.....	-	11,876,000.00
Accounts Receivable - Less Reserve.....	137,419,594.66	163,630,222.30	Notes Payable.....	-	163,000,000.00
Accounts Receivable from Associated Companies...	10,916,898.01	29,799,791.23	Accounts Payable.....	97,848,807.56	104,974,357.13
Materials and Supplies - At Average Cost.....			Accounts Payable to Associated Companies.....	25,528,425.55	19,944,791.03
Fuel.....	52,502,546.26	68,043,290.05	Customer Deposits.....	22,361,041.85	23,237,608.55
Plant Materials and Operating Supplies.....	30,625,941.68	29,326,915.51	Taxes Accrued.....	13,284,849.56	9,598,152.76
Stores Expense.....	5,596,505.54	4,943,153.44	Interest Accrued.....	5,825,755.42	5,235,853.08
Gas Stored Underground.....	53,287,604.59	59,956,180.78	Miscellaneous Current and Accrued Liabilities.....	<u>22,176,210.30</u>	<u>24,850,419.60</u>
Emission Allowances.....	2,511.67	2,728.96			
Prepayments.....	5,472,353.44	6,832,694.11	Total.....	<u>187,025,090.24</u>	<u>362,717,182.15</u>
Miscellaneous Current and Accrued Assets.....	-	137,908.13			
Total.....	<u>320,789,781.37</u>	<u>368,309,911.23</u>	Deferred Credits and Other		
			Accumulated Deferred Income Taxes.....	499,655,847.56	458,393,362.16
Deferred Debits and Other			Investment Tax Credit.....	42,718,844.13	45,524,576.13
Unamortized Debt Expense.....	13,326,195.59	13,116,651.27	Regulatory Liabilities.....	58,617,596.40	51,426,348.46
Unamortized Loss on Bonds.....	20,963,862.78	21,934,649.45	Customer Advances for Construction.....	7,307,168.56	8,580,930.08
Accumulated Deferred Income Taxes.....	23,826,072.01	38,744,526.28	Asset Retirement Obligations.....	58,606,350.25	52,650,788.91
Deferred Regulatory Assets.....	397,110,901.24	344,036,363.17	Other Deferred Credits.....	5,120,367.14	5,677,069.75
Other Deferred Debits.....	<u>1,480,708.22</u>	<u>1,127,060.49</u>	Miscellaneous Long-Term Liabilities.....	60,707,001.86	35,751,188.04
Total.....	<u>456,707,739.84</u>	<u>418,959,250.66</u>	Accum Provision for Postretirement Benefits.....	<u>184,133,495.20</u>	<u>213,591,950.50</u>
			Total.....	<u>916,866,671.10</u>	<u>871,596,214.03</u>
Total Assets.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,512,378,365.09</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,512,378,365.09</u>

January 26, 2012

Louisville Gas and Electric Company
Summary Trial Balance
December 31, 2011

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 499,655,847.56
Federal		
Electric.....	350,820,895.44	
Gas.....	81,862,099.14	
State		
Electric.....	54,295,012.50	
Gas.....	12,677,840.48	
Investment Tax Credit.....		42,718,844.13
Advanced Coal Credit.....	23,136,534.00	
Job Development Credit		
Electric.....	19,026,103.98 ✓	
Gas.....	556,206.15 ✓	
Regulatory Liabilities.....		58,617,596.40
Deferred Taxes		
Federal		
Electric.....	27,503,680.54	
Gas.....	1,082,516.16	
State		
Electric.....	15,083,739.54	
Gas.....	2,461,807.12	
Gas Supply Clause/PBR.....	5,039,984.33	
DSM Cost Recovery.....	3,683,375.48	
Asset Retirement Obligations		
Gas.....	2,149,408.34	
Electric.....	188,608.63	
MISO Schedule 10 Charges.....	626,757.60	
Purchased Gas Adjustment - Tennessee Gas.....	478,531.66	
Environmental Cost Recovery.....	319,187.00	
Customers' Advances for Construction.....		7,307,168.56
Line Extensions		
Gas.....	6,358,367.69	
Electric.....	936,200.87	
Other.....	12,600.00	
Asset Retirement Obligations.....		58,606,350.25
Electric.....	36,829,095.09	
Gas.....	21,669,162.12	
Common.....	108,093.04	
Other Deferred Credits.....	5,120,367.14	5,120,367.14
Miscellaneous Long-Term Liabilities.....		60,707,001.86
Long-Term Derivative Liabilities - ASC 815.....	55,015,708.82	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		184,133,495.20
Postretirement Benefits - ASC 715.....	87,027,508.70	
Pension Payable.....	93,620,496.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(204,315.00)	
Total Liabilities and Stockholders' Equity.....	\$ 3,586,372,895.62	\$ 3,586,372,895.62

January 26, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT
December 31, 2011

LONG-TERM DEBT									
	Due	Rate	Principal	Interest/(Income)	Annualized Cost				Embedded Cost
					Amortized Debt Issuance Exp/Discount	Amortized Loss-Reacquired Debt	Letter of Credit and other fees	Total	
Pollution Control Bonds -									
Jefferson Co. 2000 Series A	05/01/27	0.859% *	\$ 25,000,000	4 \$ 214,750	\$ -	\$ 133,614	\$ -	\$ 348,364	1.39%
Trimble Co. 2000 Series A	08/01/30	0.240% *	83,335,000	4 200,004	38,707	143,700	305,898 d	688,309	0.83%
Jefferson Co. 2001 Series A	09/01/27	0.0650% *	10,104,000	6,062	20,393	-	35,546 d	62,001	0.61%
Jefferson Co. 2001 Series A	09/01/26	0.300% *	22,500,000	67,500	9,924	77,424	22,500 b	177,348	0.79%
Trimble Co. 2001 Series A	09/01/26	0.330% *	27,500,000	90,750	10,790	65,400	27,500 b	194,440	0.71%
Jefferson Co. 2001 Series B	11/01/27	0.450% *	35,000,000	157,500	10,995	49,056	35,000 b	252,551	0.72%
Trimble Co. 2001 Series B	11/01/27	0.450% *	35,000,000	157,500	10,997	48,884	35,000 b	252,361	0.72%
Trimble Co. 2002 Series A	10/01/32	0.100% *	41,665,000	41,665	37,221	55,812	176,268 d	310,966	0.75%
Louisville Metro 2003 Series A	10/01/33	1.900%	128,000,000	3 2,432,000	19,887	313,727	- a	2,765,614	2.16%
Louisville Metro 2005 Series A	02/01/35	5.750%	40,000,000	4 2,300,000	-	98,444	-	2,398,444	5.99%
Trimble Co. 2007 Series A	06/01/33	4.600%	60,000,000	2,760,000	47,534	6,615	18,270 a	2,832,419	4.72%
Louisville Metro 2007 Series A	06/01/33	5.625%	31,000,000	4 1,743,750	-	41,718	-	1,785,468	5.76%
Louisville Metro 2007 Series B	06/01/33	1.900%	35,200,000	3 668,800	7,756	27,526	- a	704,082	2.00%
Called Bonds			-	-	-	167,668	z	167,668	
First Mortgage Bonds -									
2010 due 2015	11/15/15	1.625%	250,000,000	4,062,500	522,243 **	-	-	4,584,743	1.83%
Debt discount on FMB	11/15/15	1.625%	(683,938)	-	176,500 **	-	-	176,500	-25.61%
2010 due 2020	11/15/40	5.125%	285,000,000	14,606,250	119,249 **	-	-	14,725,499	5.17%
Debt discount on FMB	11/15/40	5.125%	(2,984,520)	-	103,360 **	-	-	103,360	-3.46%
Revolving Credit Facility	10/19/16				782,880	6&7	500,000	1,282,880	
Total External Debt			\$ 1,105,635,542	\$ 29,509,031	\$ 1,918,436	\$ 1,227,768	\$ 1,155,982	\$ 33,811,217	3.06%
Interest Rate Swaps:									
JP Morgan Chase Bank	11/01/20	1	\$ 4,782,637	\$ -	\$ -	\$ -	\$ -	\$ 4,782,637	
Morgan Stanley Capital Services	10/01/33	1	1,183,576	-	-	-	-	1,183,576	
Morgan Stanley Capital Services	10/01/33	1	1,179,480	-	-	-	-	1,179,480	
Bank of America	10/01/33	1	1,196,547	-	-	-	-	1,196,547	
Interest Rate Swaps External Debt			\$ 8,342,240	\$ -	\$ -	\$ -	\$ -	\$ 8,342,240	0.76%
Notes Payable to PPL		5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Internal Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total			\$ 1,105,635,542	\$ 37,851,271	\$ 1,918,436	\$ 1,227,768	\$ 1,155,982	\$ 42,153,457	3.81%

SHORT-TERM DEBT									
	Maturity	Rate	Principal	Interest	Expense	Annualized Cost			Embedded Cost
						Loss	Premium	Total	
Notes Payable to Associated Company	NA	0.450% *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Revolving Credit Facility Payable			-	-	-	-	-	-	0.00%
Total			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Embedded Cost of Total Debt			\$ 1,105,635,542	\$ 37,851,271	\$ 1,918,436	\$ 1,227,768	\$ 1,155,982	\$ 42,153,457	3.81%

* Composite rate at end of current month.
** Debt discount shown on separate line.

1 Additional Interest due to Swap Agreements:

Underlying Debt Being Hedged	Notional Amount	Expiration of Swap Agreement	Fixed LG&E Swap Position	Fixed LG&E Swap Position	Variable Counterparty Swap Position
Series Z - PCB	83,335,000	11/01/20	5.495%	5.495%	BNA Index
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.657%	3.657%	68% of 1 mo LIBOR
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.645%	3.645%	68% of 1 mo LIBOR
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.695%	3.695%	68% of 1 mo LIBOR
	<u>179,335,000</u>				

- 2 Call premium and debt expense is being amortized over the remaining life of bonds due 6/1/15, 7/1/13 and 8/1/17.
3 Reacquired bonds were reissued 1/13/11
4 Remarketed bonds, issued at long term fixed rate.
5 Fidella Notes Payable were paid off on 11/1/2010 with PPL Notes Payable that were paid off with the new FMB issues on 11/16/2010.
6 Included setup fees for the Wachovia Credit Facility in Long-term Debt due to 4 year credit arrangement
7 Credit Facility amended effective October 19, 2011 New term of 5 years at lower interest rate.

a - Insurance premiums annualized - based on actual invoices
b - Remarketing fee = 10 basis points
c - Remarketing fee = 25 basis points
d - Combination of a and c.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Net Original Cost Rate Base
At December 31, 2011**

Title of Account (1)	Electric (2)	Gas (3)	Total (4)
1 Utility Plant at Original Cost (a)	\$ 4,054,317,295	\$ 842,978,637	\$ 4,897,295,932
2 Deduct:			
3 Reserve for Depreciation (a)	1,852,956,074	264,917,379	2,117,873,453
4 Net Utility Plant	<u>2,201,361,221</u>	<u>578,061,258</u>	<u>2,779,422,479</u>
5 Deduct:			
6 Customer Advances for Construction	948,801	6,358,368	7,307,169
7 Accumulated Deferred Income Taxes (a)	382,797,742	92,826,938	475,624,680
8 FAS 109 Deferred Income Taxes	27,857,286	3,544,323	31,401,609
9 Asset Retirement Obligation-Net Assets	27,475,842	20,463,948	47,939,790
10 Asset Retirement Obligation-Regulatory Liabilities	188,609	2,149,408	2,338,017
11 Total Deductions	<u>439,268,280</u>	<u>125,342,985</u>	<u>564,611,265</u>
12 Add:			
13 Materials and Supplies (b)(d)(e)	91,786,729	54,131	91,840,860
14 Gas Stored Underground (b)	-	39,569,035	39,569,035
15 Prepayments (b)(c)	4,690,348	638,230	5,328,578
16 Cash Working Capital (page 2)	81,094,226	8,106,377	89,200,603
17 Mill Creek Ash Dredging-Regulatory Asset	-	-	0
18 Total Additions	<u>177,571,303</u>	<u>48,367,773</u>	<u>225,939,076</u>
19 Total Net Original Cost Rate Base	<u>\$ 1,939,664,244</u>	<u>\$ 501,086,046</u>	<u>\$ 2,440,750,290</u>
20 Percentage of Rate Base to Total Company Rate Base	<u>79.47%</u>	<u>20.53%</u>	<u>100.00%</u>

(a) Common utility plant and the reserve for depreciation are allocated 71% to the Electric Department and 29% 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
At December 31, 2011**

Title of Account (1)	Electric (2)	Gas (3)	Total (4)
1 Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 723,648,351	\$ 226,086,638	\$ 949,734,989
2 Deduct:			
3 Electric Power Purchased	74,894,547		74,894,547
4 Gas Supply Expenses		161,235,626	161,235,626
5 Total Deductions	<u>\$ 74,894,547</u>	<u>\$ 161,235,626</u>	<u>\$ 236,130,173</u>
6 Remainder (Line 1 - Line 5)	<u>\$ 648,753,804</u>	<u>\$ 64,851,012</u>	<u>\$ 713,604,816</u>
7 Cash Working Capital (12 1/2% of Line 6)	<u>\$ 81,094,226</u>	<u>\$ 8,106,377</u>	<u>\$ 89,200,603</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Net Original Cost Rate Base as of December 31, 2011

Title of Account (1)	Total Electric (2)	Total ECR	ECR Roll-In (1)	Eliminate ECR	Net ECR (6)	Base Electric (7)	Gas (8)	Total Company (9)
		December 31, 2011 (3)	February 28, 2009 (4)	'01 and '03 Plans February 28, 2009 (5)				
					(3 - 4 + 5)	(2 - 6)		(6 + 7 + 8)
1 Utility Plant at Original Cost (a)	\$ 4,054,317,295	\$ 82,895,203	\$ 283,853,851	\$ 225,893,107	\$ 24,934,459	\$ 4,029,382,836	\$ 842,978,637	\$ 4,897,295,932
2 Deduct:								
3 Reserve for Depreciation (a)	1,852,956,074	4,115,932	31,176,384	30,070,389	3,009,937	1,849,946,137	264,917,379	2,117,873,453
4 Net Utility Plant	2,201,361,221	78,779,271	252,677,467	195,822,718	21,924,522	2,179,436,699	578,061,258	2,779,422,479
5 Deduct:								
6 Customer Advances for Construction	948,801	-	-	-	-	948,801	6,358,368	7,307,169
7 Accumulated Deferred Income Taxes (a)	382,797,742	3,353,082	13,965,363	12,883,866	2,271,585	380,526,157	92,826,938	475,624,680
8 FAS 109 Deferred Income Taxes	27,857,286	-	-	-	-	27,857,286	3,544,323	31,401,609
9 Asset Retirement Obligation-Net Assets	27,475,842	-	-	-	-	27,475,842	20,463,948	47,939,790
10 Asset Retirement Obligation-Regulatory Liabilities	188,609	-	-	-	-	188,609	2,149,408	2,338,017
11 Total Deductions	439,268,280	3,353,082	13,965,363	12,883,866	2,271,585	436,996,695	125,342,985	564,611,265
12 Net Plant Deductions	1,762,092,941	75,426,189	238,712,104	182,938,852	19,652,937	1,742,440,004	452,718,273	2,214,811,214
13 Add:								
14 Materials and Supplies (b)(d)(e)	91,786,729	865	-	-	865	91,785,864	54,131	91,840,860
15 Gas Stored Underground (b)	-	-	-	-	-	-	39,569,035	39,569,035
16 Prepayments (b)(c)	4,690,348	-	-	-	-	4,690,348	638,230	5,328,578
17 Cash Working Capital (page 2)	81,094,226	216,406	773,476	388,521	(168,549)	81,262,775	8,106,377	89,200,603
18 Mill Creek Ash Dredging-Regulatory Asset	-	-	2,400,596	-	(2,400,596)	2,400,596	-	0
19 Total Additions	177,571,303	217,271	3,174,072	388,521	(2,568,280)	180,139,583	48,367,773	225,939,076
20 Total Net Original Cost Rate Base	\$ 1,939,664,244	\$ 75,643,460	\$ 241,886,176	\$ 183,327,373	\$ 17,084,657	\$ 1,922,579,587	\$ 501,086,046	\$ 2,440,750,290
21 Percentage of Rate Base to Total Company Rate Base	79.47%				0.70%	78.77%	20.53%	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 71% to the Electric Department and 29% 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 December 31, 2011**

Title of Account (1)	Total Electric (2)	Total ECR December 31, 2011 (3)	ECR Roll-In (1) February 28, 2009 (5)	Eliminate ECR '01 and '03 Plans February 28, 2009 (6)	Net ECR (7) (3 - 4 + 5)	Base Electric (8) (2 - 6)	Gas (9)	Total Company (10) (6 + 7 + 8)
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 723,648,351	\$ 1,731,249	\$ 6,187,805	\$ 3,108,168	\$ (1,348,388)	\$ 724,996,739	\$ 226,086,638	\$ 949,734,989
2 Deduct:								
3. Electric Power Purchased	74,894,547	-	-	-	-	74,894,547		74,894,547
4. Gas Supply Expenses							161,235,626	161,235,626
5 Total Deductions	\$ 74,894,547	\$ -	\$ -	\$ -	\$ -	\$ 74,894,547	\$ 161,235,626	\$ 236,130,173
6. Remainder (Line 1 - Line 5)	\$ 648,753,804	\$ 1,731,249	\$ 6,187,805	\$ 3,108,168	\$ (1,348,388)	\$ 650,102,192	\$ 64,851,012	\$ 713,604,816
7. Cash Working Capital (12 1/2% of Line 6)	\$ 81,094,226	\$ 216,406	\$ 773,476	\$ 388,521	\$ (168,549)	\$ 81,262,774	\$ 8,106,377	\$ 89,200,603

INCLUDING ECR RATE BASE - (PLANT, DEPRECIATION, DEFERRED TAXES)

LOUISVILLE GAS AND ELECTRIC COMPANY
Net Cost Base
For 12 Months Ended December 31, 2011

	<u>Electric</u>	<u>Gas</u>	<u>Combined</u>
NET COST BASE -			
Utility Plant at Original Cost (1)	4,054,317,295	842,978,637	4,897,295,932
Less: Reserve for Depreciation (1)	1,852,956,074	264,917,379	2,117,873,453
Environmental Cost Recovery Rate Base (ECR) (2)	0	0	0
Customer Advances for Construction (5)	948,801	6,358,368	7,307,169
Deferred Income Taxes (5)	382,797,742	92,826,938	475,624,680
Deferred Taxes - FAS 109	27,857,286	3,544,323	31,401,609
	<hr/>	<hr/>	<hr/>
TOTAL UTILITY PLANT LESS DEPR. RESERVE, ETC.	1,789,757,392	475,331,629	2,265,089,021
Materials and Supplies (2)(4)	91,786,729	54,131	91,840,860
Gas Stored Underground (2)	0	39,569,035	39,569,035
Prepayments (2)(3)	4,690,348	638,230	5,328,578
Cash Working Capital	81,094,226	8,106,376	89,200,602
Mill Creek Ash Dredging-Regulatory Asset	0	0	0
	<hr/>	<hr/>	<hr/>
TOTAL NET COST BASE	<u>1,967,328,695</u>	<u>523,699,401</u>	<u>2,491,028,096</u>

Notes:

- (1) Common utility plant and reserve allocated 71% Electric; 29% Gas.
- (2) Average for 13 Months ended current month.
- (3) Excludes PSC Fees
- (4) Excludes 25% of Trimble County Inventories.
- (5) Common portion allocated on utility plant and reserve basis 71% Electric; 29% Gas

LOUISVILLE GAS AND ELECTRIC COMPANY
CASH WORKING CAPITAL - 12 MONTHS ENDED December 31, 2011

	<u>Electric</u>	<u>Gas</u>	<u>Combined</u>
Total Operating Expenses	<u>723,648,351</u>	<u>226,086,638</u>	<u>949,734,989</u>
Deduct:			
Electric Power Purchased	74,894,547	-	74,894,547
Gas Supply Expenses	-	<u>161,235,626</u>	<u>161,235,626</u>
Total Deductions	<u>74,894,547</u>	<u>161,235,626</u>	<u>236,130,173</u>
Remainder	<u>648,753,804</u>	<u>64,851,012</u>	<u>713,604,816</u>
Cash Working Capital (12 1/2% of above)	<u>81,094,226</u>	<u>8,106,376</u>	<u>89,200,602</u>

Account Balance for LG&E

Period Name DEC-2011

Account	Account	Company	Balance SUM	
			0100.	Sum
101107	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT			
101125	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		28,285,822.89	28,285,822.89
101207	PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-EQUIPMENT		533,396.11	533,396.11
101225	PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING		21,040,462.23	21,040,462.23
101325	PLANT IN SERVICE - COMMON ARO ASSET RETIREMENT COST-LAND/BUILDING		33,839.35	33,839.35
108107	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		101,389.77	101,389.77
108125	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		-1,405,083.15	-1,405,083.15
108207	ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-EQUIPMENT.		-8,573.89	-8,573.89
108225	ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING		-638,420.32	-638,420.32
108325	ACCUM. DEPR. - COMMON ARO ASSET RETIREMENT COST-LAND/BUILDING		-639.29	-639.29
108799	RWIP-ARO LEGAL		-2,403.59	-2,403.59
182317	OTHER REGULATORY ASSETS ARO - GENERATION		1,749,888.89	1,749,888.89
182318	OTHER REG ASSETS ARO - TRANSMISSION		9,382,874.91	9,382,874.91
182325	OTHER REGULATORY ASSETS ARO - DISTRIBUTION		1,804.76	1,804.76
182326	OTHER REGULATORY ASSETS ARO - GAS		38,853.46	38,853.46
182327	OTHER REGULATORY ASSETS ARO - COMMON		1,233,920.15	1,233,920.15
230012	ASSET RETIREMENT OBLIGATIONS - STEAM		9,106.86	9,106.86
230013	ASSET RETIREMENT OBLIGATIONS - TRANSMISSION		-35,116,397.44	-35,116,397.44
230015	ASSET RETIREMENT OBLIGATIONS - DISTRIBUTION		-253,364.08	-253,364.08
230016	ASSET RETIREMENT OBLIGATIONS - GAS		-658,353.57	-658,353.57
230017	ASSET RETIREMENT OBLIGATIONS - COMMON		-20,115,281.12	-20,115,281.12
230022	ASSET RETIREMENT OBLIGATIONS - STEAM - ST		-108,093.04	-108,093.04
230026	ASSET RETIREMENT OBLIGATIONS - GAS - ST		-800,980.00	-800,980.00
254014	REGULATORY LIABILITY ARO - GENERATION		-1,553,881.00	-1,553,881.00
254015	REGULATORY LIABILITY ARO - TRANSMISSION		-188,608.63	-188,608.63
254016	REGULATORY LIABILITY ARO - GAS		0.00	0.00
	Sum		-2,149,408.34	-2,149,408.34
			-588,128.08	-588,128.08

*Rate Base
Common
7/1/29 Electric/Gas*

Rate Base

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 74,459,569		\$ -	
Eligible Pollution CWIP Excluding AFUDC	7,351,685		1,083,949	
Subtotal		\$ 81,811,254		\$ 1,083,949
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	865			
Cash Working Capital Allowance	209,839		6,568	
Subtotal		210,704		6,568
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	4,115,932		-	
Pollution Control Deferred Income Taxes	3,353,082		-	
Subtotal		7,469,014		-
Environmental Compliance Rate Base		\$ 74,552,944		\$ 1,090,517

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,472	\$ 52,540
Monthly Depreciation & Amortization Expense	221,904	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	8,899	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	28,072	
Monthly Surcharge Consulting Fees		14,418
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 374,820	\$ 66,958

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

Louisville Gas and Electric Company
Calculation of ECR Roll-in at February 28, 2009 and Elimination of 2001 and 2003 Compliance Plans

Calculation of Revenue Requirement		TOTAL		Eliminated Plans (2001 & 2003)		Post Rate Case ECR Plans (05 & 06)		
		Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	
Environmental Compliance Rate Base								
Pollution Control Plant in Service	ES Form 2.00, February 2009	242,856,023	186,207,824	225,893,107	173,201,650	16,962,916	13,006,174	
Pollution Control CWIP Excluding AFUDC	ES Form 2.00, February 2009	40,997,828	31,434,742	-	-	40,997,828	31,434,742	
	Subtotal	283,853,851	217,642,566	225,893,107	173,201,650	57,960,744	44,440,915	
Additions:								
Mill Creek Deferred Debit	ES Form 2.00, February 2009	2,400,596	1,840,637	-	-	2,400,596	1,840,637	
Cash Working Capital Allowance	ES Form 2.00, February 2009	773,476	593,055	388,521	297,895	384,954	295,160	
	Subtotal	3,174,072	2,433,692	388,521	297,895	2,785,550	2,135,797	
Deductions:								
Accumulated Depreciation on Pollution Control Plant	ES Form 2.00, February 2009	31,176,384	23,904,232	30,070,389	23,056,219	1,105,995	848,012	
Pollution Control Deferred Income Taxes	ES Form 2.00, February 2009	13,965,363	10,707,825	12,883,866	9,878,596	1,081,497	829,229	
Pollution Control Deferred Investment Tax Credit	ES Form 2.00, February 2009	-	-	-	-	-	-	
	Subtotal	45,141,747	34,612,057	42,954,255	32,934,816	2,187,492	1,677,241	
Environmental Compliance Rate Base		\$ 241,886,176	\$ 185,464,201	\$ 183,327,373	\$ 140,564,730	\$ 58,558,802	\$ 44,899,471	
Rate of Return – Environmental Compliance Rate Base		ES Form 1.10, February 2009	10.98%	10.98%	10.98%	10.98%	10.98%	
Return on Environmental Compliance Rate Base		\$ 26,559,102	\$ 20,363,969	\$ 20,129,346	\$ 15,434,007	\$ 6,429,756	\$ 4,929,962	
Pollution Control Operating Expenses								
12 Month Depreciation and Amortization Expense	See Support Schedule A	7,494,634	5,746,448	7,011,570	5,376,063	483,064	370,385	
12 Month Taxes Other than Income Taxes	See Support Schedule A	353,407	270,972	302,428	231,884	50,979	39,088	
12 Month Operating and Maintenance Expense	See Support Schedule A	4,146,881	3,179,586	3,108,167	2,383,161	1,038,713	796,425	
12 Month Ash Dredging Expense	See Support Schedule A	2,040,926	1,564,863	-	-	2,040,926	1,564,863	
Total Pollution Control Operating Expenses		\$ 14,035,848	\$ 10,761,869	\$ 10,422,165	\$ 7,991,108	\$ 3,613,682	\$ 2,770,761	
Gross Proceeds from By-Product & Allowance Sales		See Support Schedule B	235,844	180,831	-	-	235,844	180,831
Total Company Environmental Surcharge Gross Revenue Requirement								
Return on Environmental Compliance Rate Base		26,559,102	20,363,969	20,129,346	15,434,007	6,429,756	4,929,962	
Pollution Control Operating Expenses		14,035,848	10,761,869	10,422,165	7,991,108	3,613,682	2,770,761	
Less Gross Proceeds from By-Product & Allowance Sales		(235,844)	(180,831)	-	-	(235,844)	(180,831)	
Total Company Environmental Surcharge Gross Revenue Requirement		\$ 40,359,106	\$ 30,945,007	\$ 30,551,511	\$ 23,425,115	\$ 9,807,595	\$ 7,519,891	
Jurisdictional Allocation Ratio		See Support Schedule C	76.6742%	76.6742%	76.6742%	76.6742%	76.6742%	
Jurisdictional Revenues for 12 Months		See Support Schedule C	\$ 778,413,572	\$ 778,413,572	\$ 778,413,572	\$ 778,413,572	\$ 778,413,572	
Total Company Environmental Surcharge Gross Revenue Requirement		\$ 40,359,106		\$ 30,551,511		\$ 9,807,595		
Jurisdictional Allocation Ratio			76.6742%	76.6742%		76.6742%		
Jurisdictional Environmental Surcharge Gross Revenue Requirement		\$ 30,944,994		\$ 23,425,115		\$ 7,519,891		

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Excess Return Amount at December 31, 2011

	<u>ELECTRIC</u> <u>(1)</u>
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	9.07%
2. Threshold Rate of Return on Common Equity (Section 2.3)	<u>10.75%</u>
3. Difference (Lines: 1 - 2)	<u>-1.68%</u>
4. Actual ROE is less than 10.75%. There is no excess return amount.	

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Excess Return Amount at December 31, 2011

	<u>GAS</u> <u>(1)</u>
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	8.56%
2. Threshold Rate of Return on Common Equity (Section 2.3)	<u>10.75%</u>
3. Difference (Lines: 1 - 2)	<u>-2.19%</u>
4. Actual ROE is less than 10.75%. There is no excess return amount.	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Electric Rate of Return on Common Equity
For the Twelve Months Ended December 31, 2011**

	Adjusted Electric Capitalization (Exhibit 2 Col 8) (1)	Percent of Total (2)	Annual Cost Rate (Exhibit 2 Col 10) (3)	Weighted Cost of Capital (Col 2 x Col 3) (4)
1. Short Term Debt	\$0	0.00%	0.45%	0.00%
2. Long Term Debt	\$887,996,779	44.54%	3.81%	1.70%
3. Common Equity	<u>\$1,105,819,334</u>	<u>55.46%</u>	9.07% (a)	<u>5.03% (b)</u>
4. Total Capitalization	<u><u>\$1,993,816,113</u></u>	<u><u>100.00%</u></u>		<u><u>6.73%</u></u>
5. Pro-forma Net Operating Income				\$134,134,825 (c)
6. Net Operating Income / Total Capitalization				6.73% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 26, Column 4
(d) - Column 4, Line 5 divided by Column 1, Line 4

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Rate of Return on Common Equity
For the Twelve Months Ended December 31, 2011**

	Adjusted Gas Capitalization <small>(Exhibit 2 Col 8)</small> <u>(1)</u>	Percent of Total <u>(2)</u>	Annual Cost Rate <small>(Exhibit 2 Col 10)</small> <u>(3)</u>	Weighted Cost of Capital <small>(Col 2 x Col 3)</small> <u>(4)</u>
1. Short Term Debt	\$0	0.00%	0.45%	0.00%
2. Long Term Debt	\$227,234,711	44.54%	3.81%	1.70%
3. Common Equity	<u>\$282,974,872</u>	<u>55.46%</u>	8.56% (a)	<u>4.75% (b)</u>
4. Total Capitalization	<u><u>\$510,209,583</u></u>	<u><u>100.00%</u></u>		<u><u>6.45%</u></u>
5. Pro-forma Net Operating Income				\$32,884,442 (c)
6. Net Operating Income / Total Capitalization				6.45% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 26, Column 7
(d) - Column 4, Line 5 divided by Column 1, Line 4

LOUISVILLE GAS AND ELECTRIC COMPANY

Acquisition Savings Sharing Deferral Methodology ECR Revenue Requirement Method

Index of Schedules

<u>Settlement</u> <u>Agreement Section</u>	<u>Supplemental</u> <u>Exhibit</u>	<u>Reference</u> <u>Schedule</u>	<u>Description</u>
Section 2.2.1	Exhibit 1		Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
	Exhibit 1	1.00	Adjustment to eliminate unbilled revenues
	Exhibit 1	1.01	To adjust mismatch in fuel cost recovery
	Exhibit 1	1.02	To adjust base rates and FAC to reflect a full year of the FAC roll-in
	Exhibit 1	1.03	Adjustment to eliminate Environmental Surcharge revenues and expenses
	Exhibit 1	1.04	Off-system sales revenue adjustment for the ECR calculation
	Exhibit 1	1.05	To eliminate net brokered and financial swap sales revenues and expenses
	Exhibit 1	1.06	To eliminate ECR, MSR, DSM, FAC, and GSC accruals
	Exhibit 1	1.07	To eliminate DSM revenue and expenses
	Exhibit 1	1.08	Adjustment to annualize year-end customers
	Exhibit 1	1.09	Adjustment to reflect annualized depreciation expenses
	Exhibit 1	1.10	Adjustment to reflect increases in labor and labor related costs
	Exhibit 1	1.11	Adjustment for pension, post retirement and post employment costs
	Exhibit 1	1.12	Adjustment to reflect normalized storm damage expense
	Exhibit 1	1.13	Adjustment for injuries and damages FERC account 925
	Exhibit 1	1.14	Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016
	Exhibit 1	1.15	Adjustment to remove out-of-period items
	Exhibit 1	1.16	Adjustment to revenues and expenses to eliminate gas supply cost
	Exhibit 1	1.17	Adjustment to revenues for temperature normalization
	Exhibit 1	1.18	Calculation of Composite Federal and Kentucky Income tax rate
	Exhibit 1	1.19	Adjustment to federal and state income taxes resulting from interest synchronization
	Exhibit 1	1.20	Prior income tax true-ups and adjustments
	Exhibit 1	1.21	Calculation of Revenue Gross Up Factor
Section 2.2.2	Exhibit 2		Capitalization at December-31, 2011
Section 2.2.2	Exhibit 3		Net Original Cost Rate Base
Section 2.4	Exhibit 8		Calculation of Excess Return Amount at December 31, 2011
Section 2.2.3	Exhibit 9		Electric and Gas Rate of Return on Common Equity

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Electric Department			Gas Department			
	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
1. Amount per books		1,059,750,303	916,746,946	\$143,003,357	304,574,422	279,811,178	\$24,763,244
2. Revenue and Expense Adjustments:							
3. Adjustment to eliminate unbilled revenues	1.00	8,003,000	-	8,003,000	7,607,432	-	7,607,432
4. To adjust mismatch in fuel cost recovery	1.01	(32,333,022)	(31,249,120)	(1,083,902)	-	-	-
5. To adjust base rates and FAC to reflect a full year of the FAC roll-in	1.02	(4,038,491)	-	(4,038,491)	-	-	-
6. Adjustment to eliminate Environmental Surcharge revenues and expenses	1.03	(15,045,854)	(4,516,951)	(10,528,903)	-	-	-
7. Off-system sales revenue adjustment for the ECR calculation	1.04	(2,313,599)	-	(2,313,599)	-	-	-
8. To eliminate net brokered and financial swap sales revenues and expenses	1.05	2,737,301	(71,969)	2,808,370	-	-	-
9. To eliminate rate mechanism revenue accruals	1.06	2,865,641	-	2,865,641	(408,439)	-	(408,439)
10. To eliminate DSM revenue and expenses	1.07	(15,455,244)	(10,021,207)	(5,434,037)	(3,222,760)	(2,281,107)	(941,653)
11. Adjustment to annualize year-end customers	1.08	(2,958,286)	(1,939,276)	(1,019,010)	(417,040)	(95,320)	(321,720)
12. Adjustment to reflect annualized depreciation expenses	1.09	-	714,267	(714,267)	-	238,230	(238,230)
13. Adjustment to reflect increases in labor and labor related costs	1.10	-	2,117,429	(2,117,429)	-	529,357	(529,357)
14. Adjustment for pension, post retirement and post employment costs	1.11	-	(4,801,665)	4,801,665	-	(1,200,416)	1,200,416
15. Adjustment to reflect normalized storm damage expense	1.12	-	(1,419,863)	1,419,863	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Electric Department			Gas Department		
		Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
16. Adjustment for injuries and damages FERC account 925	1.13	-	(289,994)	289,994	-	(258,510)	258,510
17. Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016	1.14	-	(512,679)	512,679	-	(203,775)	203,775
18. Adjustment to remove out-of-period items	1.15	2,862	19,610	(16,748)	-	189	(189)
19. Adjustment to revenues and expenses to eliminate gas supply cost recoveries and gas supply expenses	1.16	-	-	-	(172,491,115)	(163,465,524)	(9,025,591)
20. Adjustment to revenues for temperature normalization	1.17	-	-	-	408,729	-	408,729
21. Total of above adjustments		<u>\$ (58,535,691)</u>	<u>\$ (51,970,518)</u>	<u>\$ (6,565,174)</u>	<u>\$ (168,523,193)</u>	<u>\$ (166,736,876)</u>	<u>\$ (1,786,317)</u>
22. Federal and state income taxes corresponding to base revenue and expense adjustments and above adjustments -	37.3280 % 1.18		(2,450,651)	2,450,651		(666,797)	666,797
23. Federal and state income taxes corresponding to annualization and adjustment of year-end interest expense	1.19		47,903	(47,903)		76,537	(76,537)
24. Prior income tax true-ups and adjustments	1.20		8,649,839	(8,649,839)		(9,317,254)	9,317,254
25. Total adjustments		<u>(58,535,691)</u>	<u>(45,723,426)</u>	<u>(12,812,265)</u>	<u>(168,523,193)</u>	<u>(176,644,390)</u>	<u>8,121,197</u>
26. Adjusted Net Operating Income		<u>1,001,214,612</u>	<u>871,023,520</u>	<u>\$ 130,191,092</u>	<u>136,051,229</u>	<u>103,166,788</u>	<u>\$ 32,884,441</u>

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94	\$ 366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue.....	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses.....	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses.....	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses.....	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

January 26, 2012

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Operation Expenses.....	\$ 1,271,661.77	\$ (2,699,268.34)	\$ 14,936,835.83	\$ 11,821,793.75	\$ 14,936,835.83	\$ 11,821,793.75
Maintenance.....	190,429.24	99,060.28	2,618,111.78	2,171,938.18	2,618,111.78	2,171,938.18
Rents.....	175.00	2,358.09	23,715.72	23,780.31	23,715.72	23,780.31
Total Transmission Expenses.....	1,462,266.01	(2,597,849.97)	17,578,663.33	14,017,512.24	17,578,663.33	14,017,512.24
Operation Expenses.....	2,072,998.00	1,830,316.12	17,924,594.43	17,224,839.54	17,924,594.43	17,224,839.54
Maintenance.....	1,451,327.70	2,124,308.00	24,544,820.26	16,225,860.19	24,544,820.26	16,225,860.19
Rents.....	87.50	1,945.28	13,433.88	12,979.61	13,433.88	12,979.61
Total Distribution Expenses.....	3,524,413.20	3,956,569.40	42,482,848.57	33,463,679.34	42,482,848.57	33,463,679.34
Total Production, Transmission, Distribution Expenses...	53,344,885.68	57,410,248.11	617,293,854.49	596,779,890.11	617,293,854.49	596,779,890.11
Provision for Uncollectible Accounts.....	374,204.51	357,496.21	3,578,080.19	4,474,644.31	3,578,080.19	4,474,644.31
Other Customer Accounts Expenses.....	693,557.09	852,073.36	8,763,036.62	8,709,443.39	8,763,036.62	8,709,443.39
Total Customer Accounts Expenses.....	1,067,761.60	1,209,569.57	12,341,116.81	13,184,087.70	12,341,116.81	13,184,087.70
Total Customer Service and Information Expenses.....	1,484,912.57	492,677.38	10,660,302.18	10,181,985.00	10,660,302.18	10,181,985.00
Total Sales Expenses.....	194.06	2,427.52	25,095.44	29,625.37	25,095.44	29,625.37
Other Administrative and General Expenses.....	5,727,004.10	6,147,741.31	72,845,292.20	69,287,424.69	72,845,292.20	69,287,424.69
Maintenance.....	708,488.89	856,595.45	8,917,433.65	8,546,092.61	8,917,433.65	8,546,092.61
Rents.....	133,883.85	140,007.63	1,565,256.65	1,578,470.49	1,565,256.65	1,578,470.49
Total Administrative and General Expenses.....	6,569,376.84	7,144,344.39	83,327,982.50	79,411,987.79	83,327,982.50	79,411,987.79
Total Operation Expenses.....	55,432,063.74	53,382,597.66	627,413,263.49	605,429,549.34	627,413,263.49	605,429,549.34
Total Maintenance Expenses.....	7,035,067.01	12,876,669.31	96,235,087.93	94,158,026.63	96,235,087.93	94,158,026.63
Total Electric Operating Expenses.....	62,467,130.75	66,259,266.97	723,648,351.42	699,587,575.97	723,648,351.42	699,587,575.97
Depreciation.....	9,976,297.74	9,221,009.89	118,859,672.94	110,972,479.31	118,859,672.94	110,972,479.31
Depreciation for Asset Retirement Costs.....	150,958.58	146,954.31	2,062,145.74	837,323.97	2,062,145.74	837,323.97
Amortization Expense.....	496,568.09	462,901.63	5,774,759.45	5,640,701.93	5,774,759.45	5,640,701.93
Regulatory Credits.....	(286,031.42)	(283,824.40)	(3,694,954.19)	(3,530,164.52)	(3,694,954.19)	(3,530,164.52)
Federal Income Taxes.....	(7,466,924.66)	(11,661,956.52)	27,439,817.50	22,700,819.36	27,439,817.50	22,700,819.36
State Income Taxes.....	(1,252,081.95)	(826,740.68)	9,971,421.63	5,404,749.93	9,971,421.63	5,404,749.93
Deferred Federal Income Taxes - Net.....	9,810,568.06	15,574,709.43	15,753,334.76	22,214,148.77	15,753,334.76	22,214,148.77
Deferred State Income Taxes - Net.....	1,481,180.61	1,495,084.12	(3,637,605.84)	949,927.37	(3,637,605.84)	949,927.37
Property and Other Taxes.....	1,887,841.14	1,328,495.13	21,610,184.28	17,193,677.85	21,610,184.28	17,193,677.85
Investment Tax Credit.....	-	-	-	-	-	-
Amortization of Investment Tax Credit.....	(224,752.00)	(196,421.00)	(2,670,412.00)	(2,357,054.00)	(2,670,412.00)	(2,357,054.00)
Loss (Gain) from Disposition of Allowances.....	-	-	(2,577.94)	(34,460.14)	(2,577.94)	(34,460.14)
Accretion Expense.....	135,072.84	136,995.59	1,632,808.45	2,692,840.58	1,632,808.45	2,692,840.58
Total Electric Operating Expense and Taxes.....	77,175,827.78	81,656,474.47	916,746,946.20	882,272,566.38	916,746,946.20	882,272,566.38
Net Operating Income - Electric.....	\$ 7,626,127.04	\$ 12,094,972.87	\$ 143,003,357.29	\$ 133,339,000.59	\$ 143,003,357.29	\$ 133,339,000.59

January 26, 2012

Louisville Gas and Electric Company
Gas Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 27,695,232.95	\$ 37,817,301.47	\$ 194,841,842.07	\$ 193,160,455.24	\$ 194,841,842.07	\$ 193,160,455.24
Commercial Sales.....	9,315,998.25	13,840,902.51	71,061,037.80	72,232,059.88	71,061,037.80	72,232,059.88
Industrial Sales.....	756,066.82	1,213,822.75	7,457,092.83	8,200,636.78	7,457,092.83	8,200,636.78
Other Sales to Public Authorities.....	1,814,968.25	2,523,633.54	12,019,051.69	11,807,097.67	12,019,051.69	11,807,097.67
Total Gas Revenue - Ultimate Customers.....	39,582,266.27	55,395,660.27	285,379,024.39	285,400,249.57	285,379,024.39	285,400,249.57
Sales for Resale.....	-	-	1,910,239.96	1,026,011.78	1,910,239.96	1,026,011.78
Interdepartmental Sales.....	563,901.71	653,014.41	7,246,860.81	5,895,064.38	7,246,860.81	5,895,064.38
Late Charge Payments.....	259,770.05	328,914.52	2,815,529.05	3,109,202.50	2,815,529.05	3,109,202.50
Transportation Revenue.....	664,629.46	897,722.96	6,915,811.74	7,112,202.70	6,915,811.74	7,112,202.70
Miscellaneous Service Revenue.....	6,384.06	3,314.00	91,029.96	93,977.00	91,029.96	93,977.00
Rent from Gas Property.....	17,271.91	15,170.51	206,285.26	302,137.48	206,285.26	302,137.48
Other Gas Revenue.....	435.00	435.00	9,640.65	8,510.47	9,640.65	8,510.47
Total Gas Operating Revenues.....	41,094,658.46	57,294,231.67	304,574,421.82	302,947,355.88	304,574,421.82	302,947,355.88
Purchased Gas.....	11,767,843.22	28,953,081.46	156,769,919.71	175,021,996.60	156,769,919.71	175,021,996.60
Other Operation Expenses.....	126,014.25	129,022.03	765,945.62	736,672.51	765,945.62	736,672.51
Gas from Storage.....	9,181,770.58	11,099,501.98	59,838,142.45	56,983,855.16	59,838,142.45	56,983,855.16
Gas to Storage - Credit.....	(28,189.77)	(2,084,682.16)	(55,399,464.96)	(63,075,768.33)	(55,399,464.96)	(63,075,768.33)
Other Credits.....	(113,263.06)	(87,139.50)	(734,189.67)	(640,315.18)	(734,189.67)	(640,315.18)
Gas Used in Electric Generation - Credit.....	-	(8,713.11)	(4,727.45)	(22,832.71)	(4,727.45)	(22,832.71)
Total Gas Supply Expenses.....	20,934,175.22	38,001,070.70	161,235,625.70	169,003,608.05	161,235,625.70	169,003,608.05
Operation Expenses.....	720,810.01	878,179.13	7,116,382.75	7,105,035.40	7,116,382.75	7,105,035.40
Maintenance.....	174,336.51	251,056.33	3,064,527.46	2,677,220.91	3,064,527.46	2,677,220.91
Rents.....	3,984.66	1,419.65	87,608.99	87,670.43	87,608.99	87,670.43
Total Storage Expenses.....	899,131.18	1,130,655.11	10,268,519.20	9,869,926.74	10,268,519.20	9,869,926.74
Operation Expenses.....	44,592.94	232,045.18	639,474.12	835,280.41	639,474.12	835,280.41
Maintenance.....	95,577.08	200,004.26	1,226,761.61	846,473.17	1,226,761.61	846,473.17
Rents.....	52.50	-	6,220.22	6,196.31	6,220.22	6,196.31
Total Transmission Expenses.....	\$ 140,222.52	\$ 432,049.44	\$ 1,872,455.95	\$ 1,687,949.89	\$ 1,872,455.95	\$ 1,687,949.89

January 26, 2012

Louisville Gas and Electric Company
Gas Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Operation Expenses.....	\$ 779,519.29	\$ 866,080.09	\$ 8,982,834.94	\$ 8,049,315.19	\$ 8,982,834.94	\$ 8,049,315.19
Maintenance.....	1,343,901.17	1,321,421.58	12,225,069.87	10,885,511.70	12,225,069.87	10,885,511.70
Rents.....	35.00	-	10,529.04	9,945.64	10,529.04	9,945.64
Total Distribution Expenses	2,123,455.46	2,187,501.67	21,218,433.85	18,944,772.53	21,218,433.85	18,944,772.53
Total Supply, Storage, Transmission, and Distr Expenses..	24,096,984.38	41,751,276.92	194,595,034.70	199,506,257.21	194,595,034.70	199,506,257.21
Provision for Uncollectible Accounts.....	61,789.83	102,303.42	1,025,501.60	1,445,162.65	1,025,501.60	1,445,162.65
Other Customer Accounts Expenses.....	562,215.85	691,883.73	7,128,854.87	7,089,532.12	7,128,854.87	7,089,532.12
Total Customer Accounts Expenses.....	624,005.68	794,187.15	8,154,356.47	8,534,694.77	8,154,356.47	8,534,694.77
Total Customer Service and Information Expenses.....	199,582.63	360,069.09	2,474,819.25	3,796,616.81	2,474,819.25	3,796,616.81
Total Sales Expenses.....	64.69	1,090.63	8,365.15	13,309.96	8,365.15	13,309.96
Other Administrative and General Expenses.....	1,291,114.78	1,448,550.04	16,855,126.79	15,511,176.83	16,855,126.79	15,511,176.83
Maintenance	284,645.15	311,889.42	3,607,621.68	3,133,872.67	3,607,621.68	3,133,872.67
Rents	33,470.96	32,841.30	391,314.16	370,258.51	391,314.16	370,258.51
Total Administrative and General Expenses	1,609,230.89	1,793,280.76	20,854,062.63	19,015,308.01	20,854,062.63	19,015,308.01
Total Operation Expenses.....	24,631,408.36	42,615,532.96	205,962,657.58	213,323,108.31	205,962,657.58	213,323,108.31
Total Maintenance Expenses.....	1,898,459.91	2,084,371.59	20,123,980.62	17,543,078.45	20,123,980.62	17,543,078.45
Total Gas Operating Expenses.....	26,529,868.27	44,699,904.55	226,086,638.20	230,866,186.76	226,086,638.20	230,866,186.76
Depreciation.....	1,706,539.55	1,581,435.37	20,052,940.91	19,251,898.14	20,052,940.91	19,251,898.14
Depreciation for Asset Retirement Costs.....	54,449.93	44,662.11	1,023,455.33	148,301.85	1,023,455.33	148,301.85
Amortization Expense.....	202,823.59	171,210.19	2,358,704.58	2,086,286.97	2,358,704.58	2,086,286.97
Regulatory Credits.....	(151,078.59)	(125,519.12)	(2,035,131.50)	(739,566.93)	(2,035,131.50)	(739,566.93)
Federal Income Taxes.....	(94,260.76)	5,583,040.67	(15,476,967.05)	6,173,787.82	(15,476,967.05)	6,173,787.82
State Income Taxes.....	283,708.18	1,053,165.67	(1,705,888.96)	642,417.50	(1,705,888.96)	642,417.50
Deferred Federal Income Taxes - Net.....	3,841,610.97	(2,393,112.17)	36,470,389.60	5,452,856.23	36,470,389.60	5,452,856.23
Deferred State Income Taxes - Net.....	386,970.20	(492,157.96)	5,649,281.19	1,420,097.07	5,649,281.19	1,420,097.07
Property and Other Taxes.....	550,195.41	340,817.47	6,511,399.36	5,377,945.97	6,511,399.36	5,377,945.97
Amortization of Investment Tax Credit.....	(11,273.00)	(12,060.00)	(135,320.00)	(144,720.00)	(135,320.00)	(144,720.00)
Accretion Expense.....	96,628.66	80,731.51	1,011,676.17	591,265.05	1,011,676.17	591,265.05
Total Gas Operating Expenses and Taxes	33,396,182.41	50,532,118.29	279,811,177.83	271,126,756.43	279,811,177.83	271,126,756.43
Net Operating Income - Gas.....	\$ 7,698,476.05	\$ 6,762,113.38	\$ 24,763,243.99	\$ 31,820,599.45	\$ 24,763,243.99	\$ 31,820,599.45

January 26, 2012

Supplemental Exhibit 1
Reference Schedule 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Eliminate Unbilled Revenues

	<u>Electric</u>	<u>Gas</u>
1. Unbilled revenues at December 31, 2010	\$ 49,653,000	\$ 28,521,776
2. Unbilled revenues at December 31, 2011	<u>(41,650,000)</u>	<u>(20,914,344)</u>
3. Increase/(Decrease) in book revenues due to unbilled revenues	<u>\$ 8,003,000</u>	<u>\$ 7,607,432</u>

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Electric)

TOTAL Ultimate Consumers:

	BILLED REVENUES													
	KWH	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH
Actual.....	11,783,098,136	\$ 51,076,459	\$ 174,660,909	\$ 3,901,524	\$ 373,326,373	\$ 4,464,548	\$ 252,114,287	\$ 32,432,840	\$ 15,455,244	\$ 6,678,264	\$ 3,284	\$ 537	\$ 914,114,269	\$ 77.58
Budget.....	12,270,114,217	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 385,397,674	\$ 4,517,887	\$ 252,518,951	\$ 6,611,859	\$ 24,975,110	\$ 7,937,320	\$ -	\$ -	\$ 905,334,749	\$ 73.78
Variance.....	(487,016,081)	\$ 544,989	\$ 7,791,606	\$ (2,083,651)	\$ (12,061,301)	\$ (53,339)	\$ (404,664)	\$ 25,820,981	\$ (9,519,866)	\$ (1,259,056)	\$ 3,284	\$ 537	\$ 8,779,520	\$ 3.79
Dollars per MWH - Actual.....		\$ 4.33	\$ 14.82	\$ 0.33	\$ 31.68	\$ 0.38	\$ 21.40	\$ 2.75	\$ 1.31	\$ 0.57	\$ -	\$ -	\$ 77.58	
Dollars per MWH - Budget.....		\$ 4.12	\$ 13.60	\$ 0.49	\$ 31.41	\$ 0.37	\$ 20.58	\$ 0.54	\$ 2.04	\$ 0.65	\$ -	\$ -	\$ 73.78	

TOTAL Ultimate Consumers:

	ACCRUED REVENUES													
	KWH	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH
Actual: Unbilled Accrual.....	539,434,000	\$ 2,395,000	\$ 8,098,000	\$ 189,000	\$ 16,557,000	\$ 187,000	\$ 11,944,000	\$ 1,464,000	\$ 665,000	\$ 151,000	\$ -	\$ -	\$ 41,650,000	\$ 77.21
Actual: Unbilled Reversal.....	(681,477,785)	\$ (2,347,000)	\$ (9,387,000)	\$ (221,000)	\$ (20,631,000)	\$ (233,000)	\$ (14,010,000)	\$ (1,950,000)	\$ (789,000)	\$ (85,000)	\$ -	\$ -	\$ (49,653,000)	\$ 72.86
Actual: Other Accrued Revenues.....	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,000	\$ 1,763,034	\$ (5,039,496)	\$ -	\$ -	\$ (3,869,462)	\$ -
Actual: Net Accrued Revenues.....	(142,043,785)	\$ 48,000	\$ (1,289,000)	\$ (32,000)	\$ (4,074,000)	\$ (46,000)	\$ (2,066,000)	\$ (79,000)	\$ 1,639,034	\$ (4,973,496)	\$ -	\$ -	\$ (10,872,462)	\$ 76.54
Budget: Unbilled Accrual.....	544,329,942	\$ -	\$ -	\$ -	\$ 17,368,177	\$ 206,812	\$ 11,202,310	\$ (429,415)	\$ 1,188,666	\$ 681,686	\$ -	\$ -	\$ 30,218,235	\$ 55.51
Budget: Unbilled Reversal.....	(527,216,760)	\$ -	\$ -	\$ -	\$ (18,372,122)	\$ (195,168)	\$ (10,850,121)	\$ 304,968	\$ (1,143,625)	\$ (772,423)	\$ -	\$ -	\$ (91,028,491)	\$ 58.85
Budget: Other Accrued Revs.....	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.....	17,113,182	\$ -	\$ -	\$ -	\$ (1,003,945)	\$ 11,644	\$ 352,189	\$ (124,447)	\$ 45,041	\$ (90,737)	\$ -	\$ -	\$ (810,256)	\$ (47.35)

TOTAL Ultimate Consumers:

	OPERATING REVENUES													
	KWH	Cust. Charge Revenue	* Demand Revenue	Demand Rev. (Demand ECR)	** Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH
Actual.....	11,641,054,351	\$ 51,124,459	\$ 173,371,909	\$ 3,869,524	\$ 369,252,373	\$ 4,418,548	\$ 250,048,287	\$ 32,353,840	\$ 17,094,278	\$ 1,704,768	\$ 3,284	\$ 537	\$ 903,241,807	\$ 77.59
Budget.....	12,287,227,399	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 384,383,729	\$ 4,529,531	\$ 252,871,140	\$ 6,487,412	\$ 25,020,151	\$ 7,846,583	\$ -	\$ -	\$ 904,524,493	\$ 73.62
Variance.....	(646,173,048)	\$ 592,989	\$ 6,502,606	\$ (2,115,651)	\$ (15,131,355)	\$ (110,984)	\$ (2,822,853)	\$ 25,866,428	\$ (7,925,873)	\$ (6,141,815)	\$ 3,284	\$ 537	\$ (1,282,687)	\$ 3.98
Dollars per MWH - Actual.....		\$ 4.39	\$ 14.89	\$ 0.33	\$ 31.72	\$ 0.38	\$ 21.48	\$ 2.78	\$ 1.47	\$ 0.15	\$ -	\$ -	\$ 77.59	
Dollars per MWH - Budget.....		\$ 4.11	\$ 13.58	\$ 0.49	\$ 31.28	\$ 0.37	\$ 20.58	\$ 0.53	\$ 2.04	\$ 0.64	\$ -	\$ -	\$ 73.62	

LG&E (Gas)

TOTAL Retail:

	BILLED REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
Actual.....	31,404,188	\$ 55,053,669	\$ 64,976,296	\$ 3,215,473	\$ 168,616,852	\$ 715,728	\$ -	\$ 292,578,018	\$ 9.32
Budget.....	31,402,330	\$ 55,169,127	\$ 65,251,939	\$ 1,650,297	\$ 213,879,148	\$ -	\$ -	\$ 335,970,511	\$ 10.70
Variance.....	1,858	\$ (135,458)	\$ (775,643)	\$ 1,565,176	\$ (45,262,296)	\$ 715,728	\$ -	\$ (43,392,493)	\$ (1.38)
Dollars per MCF - Actual.....		\$ 1.75	\$ 2.07	\$ 0.10	\$ 5.37	\$ 0.02	\$ -	\$ 9.32	
Dollars per MCF - Budget.....		\$ 1.76	\$ 2.08	\$ 0.05	\$ 6.81	\$ -	\$ -	\$ 10.70	

TOTAL Inter-segment:

Actual.....	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Budget.....	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variance.....	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Dollars per MCF - Actual.....		\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00	
Dollars per MCF - Budget.....		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

TOTAL Transportation:

Actual.....	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50
Budget.....	11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,446	\$ -	\$ -	\$ 5,174,981	\$ 0.46
Variance.....	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04
Dollars/MCF Transp'd. - Actual.....		\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50	
Dollars/MCF Transp'd. - Budget.....		\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46	

TOTAL Retail, Inter-segment and Transport:

Actual.....	43,714,038	\$ 55,067,121	\$ 75,072,818	\$ 3,222,760	\$ 172,662,263	\$ 715,728	\$ -	\$ 306,740,690	\$ 7.02
Budget.....	42,666,693	\$ 55,189,127	\$ 70,265,475	\$ 1,650,297	\$ 214,040,593	\$ -	\$ -	\$ 341,145,492	\$ 8.00
Variance.....	1,047,345	\$ (122,006)	\$ 4,807,343	\$ 1,572,463	\$ (41,378,330)	\$ 715,728	\$ -	\$ (34,404,802)	\$ (0.98)
Dollars/MCF Sold - Actual.....		\$ 1.26	\$ 1.72	\$ 0.07	\$ 3.95	\$ 0.02	\$ -	\$ 7.02	
Dollars/MCF Sold - Budget.....		\$ 1.29	\$ 1.65	\$ 0.04	\$ 5.02	\$ -	\$ -	\$ 8.00	

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Gas) (continued)

TOTAL Retail:
 Actual: Unbilled Accrual
 Actual: Unbilled Reversal
 Actual: Other Accrued Revenues
 Actual: Net Accrued Revenues

MCF	ACCRUED REVENUES						Total Revenue	\$/MCF
	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDI Revenue		
2,592,628	\$ 58,056	\$ 5,446,021	\$ 443,000	\$ 13,413,267	\$ 1,554,000	\$ -	\$ 20,914,344	\$ 8.07
(4,039,200)	\$ (35,000)	\$ (8,479,000)	\$ (358,000)	\$ (21,789,776)	\$ 2,140,000	\$ -	\$ (28,521,776)	\$ 7.06
-	\$ -	\$ -	\$ 408,439	\$ -	\$ -	\$ -	\$ 408,439	\$ -
(1,446,572)	\$ 23,056	\$ (3,032,979)	\$ 493,439	\$ (8,376,509)	\$ 3,694,000	\$ -	\$ (7,198,993)	\$ 4.98
16,780,813	\$ -	\$ 35,068,769	\$ 881,848	\$ 114,100,330	\$ -	\$ -	\$ 150,050,947	\$ 8.94
(16,698,163)	\$ -	\$ (34,523,400)	\$ (887,340)	\$ (114,970,668)	\$ -	\$ -	\$ (150,381,408)	\$ 9.01
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82,650	\$ -	\$ 545,369	\$ (5,492)	\$ (870,338)	\$ -	\$ -	\$ (330,461)	\$ (4.00)

TOTAL Retail:
 Actual
 Budget.....
 Variance.....
 Dollars per MCF - Actual.....
 Dollars per MCF - Budget.....

MCF	OPERATING REVENUES						Total Revenue	\$/MCF
	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDI Revenue		
29,957,616	\$ 55,076,725	\$ 61,943,317	\$ 3,708,911	\$ 160,240,344	\$ 4,409,728	\$ -	\$ 285,379,024	\$ 9.53
31,484,980	\$ 55,189,127	\$ 65,797,308	\$ 1,644,805	\$ 213,008,810	\$ -	\$ -	\$ 335,640,050	\$ 10.66
(1,527,364)	\$ (112,402)	\$ (3,853,991)	\$ 2,064,106	\$ (52,768,466)	\$ 4,409,728	\$ -	\$ (50,261,026)	\$ (1.13)
	\$ 1.84	\$ 2.07	\$ 0.12	\$ 5.35	\$ 0.15	\$ -	\$ 9.53	
	\$ 1.75	\$ 2.09	\$ 0.05	\$ 6.77	\$ -	\$ -	\$ 10.66	

TOTAL Inter-segment:
 Actual
 Budget.....
 Variance.....
 Dollars per MCF - Actual.....
 Dollars per MCF - Budget.....

1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
	\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

TOTAL Transportation:
 Actual
 Budget.....
 Variance.....
 Dollars/MCF Transportd. - Actual.....
 Dollars/MCF Transportd. - Budget.....

11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50
11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46
(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04
	\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50	
	\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46	

TOTAL Retail, Inter-segment and Transport:
 Actual
 Budget.....
 Variance.....
 Dollars/MCF Sold - Actual.....
 Dollars/MCF Sold - Budget.....

42,267,466	\$ 55,090,177	\$ 72,039,839	\$ 3,716,199	\$ 164,285,754	\$ 4,409,728	\$ -	\$ 299,541,697	\$ 7.09
42,749,343	\$ 55,189,127	\$ 70,810,844	\$ 1,644,805	\$ 213,170,255	\$ -	\$ -	\$ 340,815,031	\$ 7.97
(481,877)	\$ (98,950)	\$ 1,228,995	\$ 2,071,394	\$ (48,884,501)	\$ 4,409,728	\$ -	\$ (41,273,334)	\$ (0.89)
	\$ 1.30	\$ 1.70	\$ 0.09	\$ 3.89	\$ 0.10	\$ -	\$ 7.09	
	\$ 1.29	\$ 1.66	\$ 0.04	\$ 4.99	\$ -	\$ -	\$ 7.97	



Supplemental Exhibit 1
Reference Schedule 1.01

LOUISVILLE GAS AND ELECTRIC COMPANY

To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended December 31, 2011

Expense Month	Electric Revenue Form A Page 4 of 5 Line 3	Electric Expense Form A* Page 4 of 5 Line 8
Jan-11	3,185,569	547,114
Feb-11	2,117,737	1,933,926
Mar-11	485,048	2,064,616
Apr-11	1,854,801	3,326,868
May-11	1,974,419	3,988,638
Jun-11	4,566,219	3,785,239
Jul-11	4,801,258	3,166,375
Aug-11	4,512,430	2,719,617
Sep-11	2,611,672	2,776,413
Oct-11	1,941,192	1,891,077
Nov-11	2,373,057	2,197,315
Dec-11	1,909,620	2,851,922
Total	<u>\$ 32,333,022</u>	<u>\$ 31,249,120</u>
Adjustment	<u>\$ (32,333,022)</u>	<u>\$ (31,249,120)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example,
January 2011 would be reflected in March 2011.

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : January 2011

1.	Last FAC Rate Billed		0.00292
2.	KWH Billed at Above Rate		<u>1,090,948,233</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 3,185,569</u>
4.	KWH Used to Determine Last FAC Rate		852,496,320
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>852,496,320</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,489,289</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 696,280</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,032,290,004</u>
11.	Kentucky Jurisdictional Sales		<u>1,032,290,004</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 696,280</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2011

1.	Last FAC Rate Billed		0.00241
2.	KWH Billed at Above Rate		<u>878,729,015</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,117,737</u>
4.	KWH Used to Determine Last FAC Rate		1,049,116,985
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,049,116,985</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,528,372</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (410,635)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>863,178,679</u>
11.	Kentucky Jurisdictional Sales		<u>863,178,679</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (410,635)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : March 2011

1.	Last FAC Rate Billed		0.00053
2.	KWH Billed at Above Rate		<u>915,185,368</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 485,048</u>
4.	KWH Used to Determine Last FAC Rate		1,032,290,004
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,032,290,004</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 547,114</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (62,066)</u>
10.	Over Recovery Correction*		<u>\$ 60,889</u>
11.	Total Adjusted Over or (Under) Recovery	(Line 9 + 10)	<u>\$ (1,177)</u>
12.	Total Sales "Sm" (From Page 3 of 5)		<u>889,920,492</u>
13.	Kentucky Jurisdictional Sales		<u>889,920,492</u>
14.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
15.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,177)</u>

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*Over Recovery due to the over-statement of line losses for May, Jun, Sep, Oct, Nov, and Dec 2010 and Jan 2011. Losses were over-stated because the calculation did not include the partners' share (IMEA and IMPA) of the monthly test energy produced by Trimble County 2 and the effect of the Trimble County 2 test energy sold Off System during that time period.

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : April 2011

		As Billed	As Corrected (Note 1)
1.	Last FAC Rate Billed	0.00225	0.00224
2.	KWH Billed at Above Rate	<u>828,036,132</u>	<u>828,036,132</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ 1,863,081</u>	<u>\$ 1,854,801</u>
4.	KWH Used to Determine Last FAC Rate	863,178,679	863,359,867
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>0</u>	<u>0</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>863,178,679</u>	<u>863,359,867</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)	-	-
8.	Recoverable FAC Revenue/(Refund) (Line 1 x Line 6)	<u>\$ 1,942,152</u>	<u>\$ 1,933,926</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ (79,071)</u>	<u>\$ (79,125)</u>
10.	Total Sales "Sm" (From Page 3 of 5)	<u>795,901,340</u>	<u>795,901,340</u>
11.	Kentucky Jurisdictional Sales	<u>795,901,340</u>	<u>795,901,340</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.00000000</u>	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ (79,071)</u>	<u>\$ (79,125)</u>

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Note 1 - Corrected February 2011 Last FAC Rate Billed (Line 1) and KWH Used to Determine Last FAC Rate (Line 4) can be found on Exhibit 1, page 2 of 3, as attached to the March 2011 Form A filed on April 19, 2011.

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : May 2011

1.	Last FAC Rate Billed		0.00232
2.	KWH Billed at Above Rate		<u>851,042,663</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,974,419</u>
4.	KWH Used to Determine Last FAC Rate		889,920,492
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>889,920,492</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,064,616</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (90,197)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>958,807,304</u>
11.	Kentucky Jurisdictional Sales		<u>958,807,304</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (90,197)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : June 2011

1.	Last FAC Rate Billed		0.00418
2.	KWH Billed at Above Rate		<u>1,092,396,993</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 4,566,219</u>
4.	KWH Used to Determine Last FAC Rate		795,901,340
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>795,901,340</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,326,868</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,239,351</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,133,304,954</u>
11.	Kentucky Jurisdictional Sales		<u>1,133,304,954</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,239,351</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : July 2011

1.	Last FAC Rate Billed		0.00416
2.	KWH Billed at Above Rate		<u>1,154,148,472</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 4,801,258</u>
4.	KWH Used to Determine Last FAC Rate		958,807,304
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>958,807,304</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,988,638</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 812,620</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,353,151,754</u>
11.	Kentucky Jurisdictional Sales		<u>1,353,151,754</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 812,620</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : August 2011

1.	Last FAC Rate Billed		0.00334
2.	KWH Billed at Above Rate		<u>1,351,026,921</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 4,512,430</u>
4.	KWH Used to Determine Last FAC Rate		1,133,304,954
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,133,304,954</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,785,239</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 727,191</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>1,230,596,112</u>
11.	Kentucky Jurisdictional Sales		<u>1,230,596,112</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 727,191</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : September 2011

1.	Last FAC Rate Billed		0.00234
2.	KWH Billed at Above Rate		<u>1,116,099,061</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,611,672</u>
4.	KWH Used to Determine Last FAC Rate		1,353,151,754
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,353,151,754</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 3,166,375</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (554,703)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>904,369,059</u>
11.	Kentucky Jurisdictional Sales		<u>904,369,059</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (554,703)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : October 2011

1.	Last FAC Rate Billed		0.00221
2.	KWH Billed at Above Rate		<u>878,367,270</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,941,192</u>
4.	KWH Used to Determine Last FAC Rate		1,230,596,112
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,230,596,112</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,719,617</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (778,425)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>844,230,988</u>
11.	Kentucky Jurisdictional Sales		<u>844,230,988</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (778,425)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : November 2011

1.	Last FAC Rate Billed		0.00307
2.	KWH Billed at Above Rate		<u>772,982,759</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,373,057</u>
4.	KWH Used to Determine Last FAC Rate		904,369,059
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>904,369,059</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,776,413</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (403,356)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>829,175,296</u>
11.	Kentucky Jurisdictional Sales		<u>829,175,296</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (403,356)</u>

To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : December 2011

1.	Last FAC Rate Billed		0.00224
2.	KWH Billed at Above Rate		<u>852,508,721</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,909,620</u>
4.	KWH Used to Determine Last FAC Rate		844,230,988
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>844,230,988</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,891,077</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 18,543</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>911,157,258</u>
11.	Kentucky Jurisdictional Sales		<u>911,157,258</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 18,543</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : January 2012

1.	Last FAC Rate Billed		0.00265
2.	KWH Billed at Above Rate		<u>975,042,588</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,583,863</u>
4.	KWH Used to Determine Last FAC Rate		829,175,296
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>829,175,296</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,197,315</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 386,548</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>938,911,303</u>
11.	Kentucky Jurisdictional Sales		<u>938,911,303</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 386,548</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2012

1.	Last FAC Rate Billed		0.00313
2.	KWH Billed at Above Rate		<u>837,554,049</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,621,544</u>
4.	KWH Used to Determine Last FAC Rate		911,157,258
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>0</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>911,157,258</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		-
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,851,922</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (230,378)</u>
10.	Total Sales "Sm" (From Page 3 of 5)		<u>849,676,758</u>
11.	Kentucky Jurisdictional Sales		<u>849,676,758</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.00000000</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (230,378)</u> To Page 2, Line D

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Adjust Base Rates and FAC to Reflect a Full Year of the FAC Roll-In
For the Twelve Months Ended December 31, 2011**

	<u>Electric</u>	<u>Gas</u>
1. Adjustment to base rate revenues to reflect a full year of the FAC Roll-In (a)	8,868,312	-
2. Adjustment to FAC revenues to reflect a full year of the FAC Roll-In (a)	(12,906,803)	-
3. Net adjustment	<u>\$ (4,038,491)</u>	<u>\$ -</u>

(a) FAC roll-in pursuant to Commission's Order dated May 31, 2011 in Case No. 2010-00493.

LOUISVILLE GAS AND ELECTRIC COMPANY
 Base Revenue Changes Due To Fuel Adjustment Clause Rollin - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
	Base Rate Actual Billings (excluding Poles and Bases included in Lighting Revenue -- not impacted by FAC rollin)												
Residential Service (except VFD)	\$ 33,120,757	\$ 26,587,038	\$ 24,089,592	\$ 21,632,729	\$ 21,834,319	\$ 32,381,622	\$ 38,770,555	\$ 44,917,320	\$ 34,768,661	\$ 21,173,948	\$ 19,925,618	\$ 24,426,954	\$ 343,629,113
Volunteer Fire Departments (charged at Rate RS)	\$ 2,795	\$ 1,899	\$ 2,032	\$ 2,004	\$ 2,033	\$ 2,604	\$ 2,737	\$ 2,957	\$ 2,649	\$ 2,020	\$ 1,853	\$ 2,150	\$ 27,732
Residential Responsive Pricing	\$ 10,689	\$ 8,399	\$ 6,491	\$ 5,674	\$ 5,683	\$ 8,167	\$ 9,074	\$ 10,179	\$ 7,563	\$ 4,636	\$ 4,319	\$ 6,017	\$ 86,892
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ 402	\$ 330	\$ 174	\$ 124	\$ 140	\$ 1,555
General Service	\$ 4,026,480	\$ 3,420,890	\$ 3,430,738	\$ 3,250,121	\$ 3,238,017	\$ 3,883,630	\$ 4,167,516	\$ 4,623,091	\$ 4,115,902	\$ 3,259,008	\$ 2,989,294	\$ 3,317,968	\$ 43,722,655
General Service Three Phase	\$ 7,501,885	\$ 6,267,697	\$ 6,731,101	\$ 6,019,216	\$ 6,498,600	\$ 7,761,914	\$ 8,434,008	\$ 9,577,785	\$ 8,611,347	\$ 6,665,176	\$ 5,767,304	\$ 6,222,380	\$ 86,058,414
General Service Responsive Pricing	\$ 484	\$ 408	\$ 387	\$ 586	\$ 292	\$ 506	\$ 571	\$ 737	\$ 643	\$ 367	\$ 366	\$ 313	\$ 5,660
General Service Three Phase Responsive Pricing	\$ 565	\$ 122	\$ 318	\$ 453	\$ 227	\$ 620	\$ 990	\$ 1,502	\$ -1,047	\$ 399	\$ 294	\$ 330	\$ 6,866
Power Service -- Secondary	\$ 13,931,101	\$ 12,260,146	\$ 12,799,797	\$ 12,561,700	\$ 13,454,784	\$ 16,043,367	\$ 16,263,307	\$ 17,656,553	\$ 16,605,476	\$ 13,604,401	\$ 12,187,989	\$ 12,119,641	\$ 169,488,262
Power Service -- Primary	\$ 1,151,211	\$ 972,915	\$ 1,132,305	\$ 1,009,688	\$ 2,122,106	\$ 1,745,585	\$ 1,442,114	\$ 1,827,896	\$ 1,439,845	\$ 1,260,786	\$ 1,051,866	\$ 1,120,761	\$ 16,277,080
Industrial Time of Day Secondary Service	\$ 499,293	\$ 506,452	\$ 590,780	\$ 586,422	\$ 586,594	\$ 740,566	\$ 652,510	\$ 762,881	\$ 798,096	\$ 774,285	\$ 719,466	\$ 700,828	\$ 7,918,174
Commercial Time of Day Secondary Service	\$ 2,010,186	\$ 1,949,506	\$ 2,033,257	\$ 1,964,125	\$ 2,092,363	\$ 2,307,584	\$ 2,393,603	\$ 2,594,980	\$ 2,470,908	\$ 2,189,103	\$ 1,990,358	\$ 2,046,583	\$ 26,042,556
Industrial Service -- Primary	\$ 7,807,209	\$ 5,894,840	\$ 8,243,958	\$ 6,429,676	\$ 6,231,894	\$ 7,651,206	\$ 7,026,229	\$ 9,231,612	\$ 7,540,047	\$ 6,841,493	\$ 6,507,327	\$ 6,107,673	\$ 85,513,163
Commercial Time of Day Primary Service	\$ 1,747,234	\$ 1,643,561	\$ 1,818,517	\$ 1,836,935	\$ 1,698,782	\$ 2,116,914	\$ 2,037,057	\$ 2,412,830	\$ 2,367,088	\$ 2,223,841	\$ 1,599,878	\$ 1,875,336	\$ 23,377,973
Retail Transmission Service	\$ 1,867,962	\$ 1,577,382	\$ 1,681,276	\$ 2,374,279	\$ 2,537,432	\$ 2,590,860	\$ 2,326,853	\$ 2,440,964	\$ 1,612,857	\$ 2,926,600	\$ 2,303,496	\$ 2,359,613	\$ 26,599,576
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 1,021,584	\$ 1,015,291	\$ 917,073	\$ 869,396	\$ 806,636	\$ 923,539	\$ 1,140,215	\$ 1,301,195	\$ 1,210,689	\$ 1,718,971	\$ 741,877	\$ 834,333	\$ 12,500,800
Louisville Water Company Special Contract	\$ 253,730	\$ 216,107	\$ 114,133	\$ 214,171	\$ 313,587	\$ 240,389	\$ 250,042	\$ 257,351	\$ 253,710	\$ 219,883	\$ 214,996	\$ 233,891	\$ 2,781,988
Lighting Service	\$ 21,142	\$ 17,061	\$ 17,906	\$ 15,105	\$ 15,847	\$ 13,025	\$ 12,973	\$ 14,131	\$ 20,186	\$ 16,844	\$ 18,777	\$ 23,278	\$ 206,274
Traffic Lighting Service	\$ 22,950	\$ 20,183	\$ 20,787	\$ 21,155	\$ 19,846	\$ 20,657	\$ 19,846	\$ 20,084	\$ 21,048	\$ 20,673	\$ 20,538	\$ 17,536	\$ 245,305
Restricted Lighting Service	\$ 1,151,453	\$ 1,096,913	\$ 1,125,573	\$ 1,054,309	\$ 1,175,893	\$ 1,127,347	\$ 1,105,395	\$ 1,146,095	\$ 1,120,847	\$ 1,135,616	\$ 1,116,222	\$ 1,093,872	\$ 13,449,536
Lighting Service	\$ 232,970	\$ 317,737	\$ 398,256	\$ 244,394	\$ 266,195	\$ 235,174	\$ 235,920	\$ 236,459	\$ 259,102	\$ 247,383	\$ 255,295	\$ 255,694	\$ 3,184,579
Dark Sky Friendly Lighting	\$ -	\$ -	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 1,578
	\$ 76,381,681	\$ 63,774,548	\$ 65,154,435	\$ 60,092,296	\$ 62,901,289	\$ 79,795,432	\$ 86,292,057	\$ 99,037,164	\$ 83,228,202	\$ 64,285,765	\$ 57,417,417	\$ 62,765,447	\$ 861,125,732

LOUISVILLE GAS AND ELECTRIC COMPANY
 Base Revenue Changes Due To Fuel Adjustment Clause Rollin - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Base Rate Billings Reflecting Fuel Adjustment Clause Roll-in For A Full Year													
Residential Service (except VFD)	\$ 33,789,745	\$ 27,112,881	\$ 24,558,895	\$ 22,047,828	\$ 22,253,846	\$ 33,035,387	\$ 38,770,555	\$ 44,917,320	\$ 34,768,661	\$ 21,173,948	\$ 19,925,618	\$ 24,426,954	\$ 346,781,638
Volunteer Fire Departments (charged at Rate RS)	\$ 2,857	\$ 1,941	\$ 2,077	\$ 2,047	\$ 2,077	\$ 2,661	\$ 2,737	\$ 2,957	\$ 2,649	\$ 2,020	\$ 1,853	\$ 2,150	\$ 28,024
Residential Responsive Pricing	\$ 10,933	\$ 8,585	\$ 6,628	\$ 5,791	\$ 5,799	\$ 8,341	\$ 9,074	\$ 10,179	\$ 7,563	\$ 4,636	\$ 4,319	\$ 6,017	\$ 87,866
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ 402	\$ 330	\$ 174	\$ 124	\$ 140	\$ 1,555
General Service	\$ 4,095,104	\$ 3,478,105	\$ 3,487,833	\$ 3,303,909	\$ 3,291,514	\$ 3,949,618	\$ 4,167,516	\$ 4,623,091	\$ 4,115,902	\$ 3,259,008	\$ 2,989,294	\$ 3,317,968	\$ 44,078,863
General Service Three Phase	\$ 7,638,678	\$ 6,380,946	\$ 6,853,006	\$ 6,127,477	\$ 6,616,233	\$ 7,903,826	\$ 8,434,008	\$ 9,577,785	\$ 8,611,347	\$ 6,665,176	\$ 5,767,304	\$ 6,222,380	\$ 86,798,168
General Service Responsive Pricing	\$ 491	\$ 414	\$ 392	\$ 595	\$ 297	\$ 514	\$ 571	\$ 737	\$ 643	\$ 367	\$ 366	\$ 313	\$ 5,700
General Service Three Phase Responsive Pricing	\$ 575	\$ 124	\$ 323	\$ 460	\$ 231	\$ 631	\$ 990	\$ 1,502	\$ 1,047	\$ 399	\$ 294	\$ 330	\$ 6,904
Power Service -- Secondary	\$ 14,264,927	\$ 12,535,967	\$ 13,091,810	\$ 12,842,780	\$ 13,726,452	\$ 16,386,340	\$ 16,263,307	\$ 17,656,553	\$ 16,605,476	\$ 13,604,401	\$ 12,187,989	\$ 12,119,641	\$ 171,285,645
Power Service -- Primary	\$ 1,182,635	\$ 998,319	\$ 1,160,496	\$ 1,033,831	\$ 2,174,600	\$ 1,777,394	\$ 1,442,114	\$ 1,827,896	\$ 1,439,845	\$ 1,260,786	\$ 1,051,866	\$ 1,120,761	\$ 16,470,543
Industrial Time of Day Secondary Service	\$ 511,942	\$ 518,556	\$ 605,337	\$ 600,709	\$ 600,545	\$ 759,100	\$ 652,510	\$ 762,881	\$ 798,096	\$ 774,285	\$ 719,466	\$ 700,828	\$ 8,004,256
Commercial Time of Day Secondary Service	\$ 2,063,903	\$ 1,999,146	\$ 2,084,597	\$ 2,013,157	\$ 2,144,748	\$ 2,366,047	\$ 2,393,603	\$ 2,594,980	\$ 2,470,908	\$ 2,189,103	\$ 1,990,358	\$ 2,046,583	\$ 26,357,132
Industrial Service -- Primary	\$ 8,050,975	\$ 6,073,030	\$ 8,503,383	\$ 6,622,678	\$ 6,418,266	\$ 7,870,416	\$ 7,026,229	\$ 9,231,612	\$ 7,540,047	\$ 6,841,493	\$ 6,507,327	\$ 6,107,673	\$ 86,793,129
Commercial Time of Day Primary Service	\$ 1,794,408	\$ 1,685,818	\$ 1,864,326	\$ 1,881,680	\$ 1,740,950	\$ 2,171,152	\$ 2,037,057	\$ 2,412,830	\$ 2,367,088	\$ 2,223,841	\$ 1,599,878	\$ 1,875,336	\$ 23,654,364
Retail Transmission Service	\$ 1,922,207	\$ 1,620,865	\$ 1,729,690	\$ 2,441,967	\$ 2,614,676	\$ 2,670,025	\$ 2,326,853	\$ 2,440,964	\$ 1,612,857	\$ 2,926,600	\$ 2,303,496	\$ 2,359,613	\$ 26,969,814
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 1,054,931	\$ 1,048,851	\$ 945,322	\$ 898,183	\$ 832,523	\$ 951,958	\$ 1,140,215	\$ 1,301,195	\$ 1,210,689	\$ 1,718,971	\$ 741,877	\$ 834,333	\$ 12,679,049
Louisville Water Company Special Contract	\$ 262,500	\$ 222,828	\$ 117,801	\$ 220,786	\$ 323,114	\$ 248,417	\$ 250,042	\$ 257,351	\$ 253,710	\$ 219,883	\$ 214,996	\$ 233,891	\$ 2,825,316
Lighting Service	\$ 21,749	\$ 17,551	\$ 18,420	\$ 15,539	\$ 16,302	\$ 13,399	\$ 12,973	\$ 14,131	\$ 20,186	\$ 16,844	\$ 18,777	\$ 23,278	\$ 209,150
Traffic Lighting Service	\$ 23,418	\$ 20,598	\$ 21,204	\$ 21,581	\$ 20,242	\$ 21,071	\$ 19,846	\$ 20,084	\$ 21,048	\$ 20,673	\$ 20,538	\$ 17,536	\$ 247,840
Restricted Lighting Service	\$ 1,163,966	\$ 1,108,963	\$ 1,137,902	\$ 1,065,728	\$ 1,188,790	\$ 1,139,535	\$ 1,105,395	\$ 1,146,095	\$ 1,120,847	\$ 1,135,616	\$ 1,116,222	\$ 1,093,872	\$ 13,522,931
Lighting Service	\$ 232,970	\$ 317,737	\$ 398,256	\$ 244,394	\$ 266,195	\$ 235,174	\$ 235,920	\$ 236,459	\$ 259,102	\$ 247,383	\$ 255,295	\$ 255,694	\$ 3,184,579
Dark Sky Friendly Lighting	\$ -	\$ -	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 1,578
	\$ 78,088,912	\$ 65,151,223	\$ 66,587,858	\$ 61,391,277	\$ 64,237,559	\$ 81,511,163	\$ 86,292,057	\$ 99,037,164	\$ 83,228,202	\$ 64,285,765	\$ 57,417,417	\$ 62,765,447	\$ 869,994,044

LOUISVILLE GAS AND ELECTRIC COMPANY
 Base Revenue Changes Due To Fuel Adjustment Clause Roll-in - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Increased Base Rate Billings Reflecting Fuel Adjustment Clause Roll-in for a Full Year													
Residential Service (except VFD)	\$ 668,988	\$ 525,842	\$ 469,303	\$ 415,099	\$ 419,527	\$ 653,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,152,525
Volunteer Fire Departments (charged at Rate RS)	\$ 61	\$ 41	\$ 44	\$ 44	\$ 44	\$ 57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291
Residential Responsive Pricing	\$ 243	\$ 186	\$ 137	\$ 118	\$ 116	\$ 174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 974
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Service	\$ 68,624	\$ 57,215	\$ 57,095	\$ 53,788	\$ 53,497	\$ 65,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,207
General Service Three Phase	\$ 136,793	\$ 113,249	\$ 121,906	\$ 108,261	\$ 117,633	\$ 141,912	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ 739,754
General Service Responsive Pricing	\$ 8	\$ 6	\$ 5	\$ 8	\$ 5	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40
General Service Three Phase Responsive Pricing	\$ 9	\$ 2	\$ 5	\$ 7	\$ 4	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38
Power Service -- Secondary	\$ 333,826	\$ 275,821	\$ 292,013	\$ 281,080	\$ 271,668	\$ 342,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797,382
Power Service -- Primary	\$ 31,424	\$ 25,404	\$ 28,191	\$ 24,142	\$ 52,494	\$ 31,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,464
Industrial Time of Day Secondary Service	\$ 12,649	\$ 12,104	\$ 14,557	\$ 14,287	\$ 13,951	\$ 18,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,082
Commercial Time of Day Secondary Service	\$ 53,717	\$ 49,641	\$ 51,340	\$ 49,032	\$ 52,384	\$ 58,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,576
Industrial Service -- Primary	\$ 243,766	\$ 178,191	\$ 259,425	\$ 193,002	\$ 186,372	\$ 219,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,279,966
Commercial Time of Day Primary Service	\$ 47,174	\$ 42,257	\$ 45,809	\$ 44,745	\$ 42,168	\$ 54,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,390
Retail Transmission Service	\$ 54,245	\$ 43,483	\$ 48,414	\$ 67,687	\$ 77,244	\$ 79,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,238
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 33,347	\$ 33,560	\$ 28,249	\$ 28,788	\$ 25,888	\$ 28,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,250
Louisville Water Company Special Contract	\$ 8,770	\$ 6,720	\$ 3,668	\$ 6,615	\$ 9,527	\$ 8,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,328
Lighting Service	\$ 607	\$ 490	\$ 514	\$ 434	\$ 455	\$ 374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,875
Traffic Lighting Service	\$ 468	\$ 414	\$ 417	\$ 426	\$ 395	\$ 414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,534
Restricted Lighting Service	\$ 12,513	\$ 12,049	\$ 12,328	\$ 11,419	\$ 12,897	\$ 12,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,395
Lighting Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dark Sky Friendly Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,707,231	\$ 1,376,675	\$ 1,433,422	\$ 1,298,982	\$ 1,336,270	\$ 1,715,732	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ 8,868,312

LOUISVILLE GAS AND ELECTRIC COMPANY
 Fuel Adjustment Clause Revenues Reflecting Rollin to Base Rates - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
	Base Rate Actual Fuel Adjustment Clause Billings												
Residential Service (except VFD)	\$ 1,241,430	\$ 807,081	\$ 159,248	\$ 595,080	\$ 620,068	\$ 1,740,313	\$ 2,063,066	\$ 1,940,835	\$ 1,031,462	\$ 557,584	\$ 722,961	\$ 667,302	\$ 12,146,430
Volunteer Fire Departments (charged at Rate RS)	\$ 114	\$ 63	\$ 15	\$ 62	\$ 65	\$ 151	\$ 155	\$ 135	\$ 84	\$ 60	\$ 77	\$ 65	\$ 1,048
Residential Responsive Pricing	\$ 452	\$ 285	\$ 46	\$ 168	\$ 171	\$ 464	\$ 510	\$ 467	\$ 238	\$ 129	\$ 164	\$ 177	\$ 3,271
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 13	\$ 7	\$ 4	\$ 4	\$ 3	\$ 45
General Service	\$ 127,099	\$ 88,274	\$ 19,786	\$ 76,606	\$ 79,189	\$ 173,697	\$ 186,348	\$ 168,986	\$ 104,003	\$ 74,426	\$ 93,038	\$ 77,836	\$ 1,269,288
General Service Three Phase	\$ 252,635	\$ 174,637	\$ 51,239	\$ 151,091	\$ 173,645	\$ 376,433	\$ 406,916	\$ 380,347	\$ 235,072	\$ 166,768	\$ 197,279	\$ 159,569	\$ 2,725,631
General Service Responsive Pricing	\$ 14	\$ 9	\$ 2	\$ 11	\$ 7	\$ 22	\$ 24	\$ 26	\$ 15	\$ 7	\$ 11	\$ 6	\$ 153
General Service Three Phase Responsive Pricing	\$ 16	\$ 3	\$ 2	\$ 6	\$ 6	\$ 29	\$ 46	\$ 58	\$ 27	\$ 9	\$ 8	\$ 7	\$ 216
Power Service - Secondary	\$ 615,018	\$ 426,899	\$ 113,941	\$ 392,406	\$ 411,239	\$ 897,065	\$ 919,876	\$ 830,904	\$ 536,557	\$ 423,646	\$ 504,670	\$ 388,618	\$ 6,460,836
Power Service - Primary	\$ 57,869	\$ 39,512	\$ 12,901	\$ 33,092	\$ 66,937	\$ 83,200	\$ 82,490	\$ 84,635	\$ 48,341	\$ 40,575	\$ 45,140	\$ 41,876	\$ 636,567
Industrial Time of Day Secondary Service	\$ 23,461	\$ 18,671	\$ 5,303	\$ 20,002	\$ 20,601	\$ 47,024	\$ 40,364	\$ 40,017	\$ 30,293	\$ 25,101	\$ 30,267	\$ 22,983	\$ 324,088
Commercial Time of Day Secondary Service	\$ 97,937	\$ 78,517	\$ 23,836	\$ 65,444	\$ 77,202	\$ 150,790	\$ 157,779	\$ 144,722	\$ 94,133	\$ 77,061	\$ 88,164	\$ 74,128	\$ 1,129,711
Industrial Service - Primary	\$ 431,151	\$ 294,506	\$ 204,254	\$ 211,919	\$ 273,349	\$ 525,228	\$ 496,400	\$ 570,594	\$ 336,435	\$ 283,180	\$ 361,597	\$ 271,877	\$ 4,260,490
Commercial Time of Day Primary Service	\$ 85,793	\$ 66,869	\$ 18,826	\$ 63,067	\$ 62,265	\$ 138,474	\$ 136,253	\$ 130,769	\$ 91,503	\$ 78,322	\$ 75,946	\$ 70,342	\$ 1,018,428
Retail Transmission Service	\$ 100,889	\$ 66,747	\$ 16,344	\$ 97,004	\$ 114,144	\$ 210,769	\$ 179,271	\$ 155,207	\$ 67,460	\$ 123,088	\$ 133,241	\$ 97,816	\$ 1,361,981
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 53,525	\$ 62,418	\$ 43,363	\$ 9,718	\$ 37,100	\$ 41,994	\$ 85,861	\$ 98,659	\$ 71,740	\$ 71,497	\$ 44,564	\$ 37,076	\$ 657,516
Louisville Water Company Special Contract	\$ 16,311	\$ 10,316	\$ 1,238	\$ 6,351	\$ 13,934	\$ 21,373	\$ 21,491	\$ 17,788	\$ 12,560	\$ 9,224	\$ 12,319	\$ 10,298	\$ 153,202
Lighting Service	\$ 1,125	\$ 758	\$ 191	\$ 604	\$ 674	\$ 987	\$ 961	\$ 845	\$ 848	\$ 663	\$ 1,018	\$ 946	\$ 9,619
Traffic Lighting Service	\$ 859	\$ 644	\$ 163	\$ 587	\$ 584	\$ 1,085	\$ 1,025	\$ 839	\$ 623	\$ 542	\$ 773	\$ 491	\$ 8,213
Restricted Lighting Service	\$ 29,403	\$ 19,713	\$ 4,798	\$ 15,124	\$ 16,163	\$ 26,721	\$ 24,163	\$ 22,771	\$ 17,125	\$ 17,578	\$ 25,215	\$ 20,237	\$ 239,011
Lighting Service	\$ 3,624	\$ 3,020	\$ 1,090	\$ 2,174	\$ 2,253	\$ 3,587	\$ 3,278	\$ 3,005	\$ 2,426	\$ 2,443	\$ 3,621	\$ 3,030	\$ 31,551
Dark Sky Friendly Lighting	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3
	\$ 3,138,724	\$ 2,158,942	\$ 676,586	\$ 1,740,517	\$ 1,969,596	\$ 4,439,406	\$ 4,806,290	\$ 4,591,621	\$ 2,680,952	\$ 1,951,905	\$ 2,340,079	\$ 1,944,684	\$ 32,439,302

LOUISVILLE GAS AND ELECTRIC COMPANY
 Fuel Adjustment Clause Revenues Reflecting Rollin to Base Rates - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Fuel Adjustment Clause Billings Reflecting Base Rate Roll-in For A Full Year													
FAC Rate Charged	\$ 0.00292	\$ 0.00241	\$ 0.00053	\$ 0.00225	\$ 0.00232	\$ 0.00418	\$ 0.00416	\$ 0.00334	\$ 0.00234	\$ 0.00221	\$ 0.00107	\$ 0.00224	
FAC Rate Rolled In	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ -	\$ -	\$ -	
FAC Rate After Roll In	\$ 0.00135	\$ 0.00084	\$ (0.00104)	\$ 0.00068	\$ 0.00075	\$ 0.00261	\$ 0.00259	\$ 0.00177	\$ 0.00077	\$ 0.00064	\$ 0.00107	\$ 0.00224	
Residential Service (except VFD)	\$ 575,245	\$ 281,342	\$ (310,876)	\$ 179,788	\$ 200,411	\$ 1,086,833	\$ 1,284,490	\$ 1,027,997	\$ 1,030,574	\$ 557,595	\$ 722,973	\$ 665,707	\$ 7,302,079
Volunteer Fire Departments (charged at Rate RS)	\$ 53	\$ 22	\$ (29)	\$ 19	\$ 21	\$ 95	\$ 97	\$ 71	\$ 84	\$ 60	\$ 77	\$ 65	\$ 635
Residential Responsive Pricing	\$ 209	\$ 99	\$ (91)	\$ 51	\$ 55	\$ 290	\$ 317	\$ 247	\$ 238	\$ 129	\$ 164	\$ 176	\$ 1,885
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 7	\$ 7	\$ 4	\$ 4	\$ 3	\$ 33
General Service	\$ 59,007	\$ 30,612	\$ (37,821)	\$ 23,297	\$ 25,556	\$ 109,700	\$ 116,118	\$ 88,766	\$ 103,111	\$ 74,407	\$ 93,594	\$ 76,869	\$ 763,216
General Service Three Phase	\$ 117,624	\$ 60,592	\$ (80,753)	\$ 46,890	\$ 56,194	\$ 235,918	\$ 251,612	\$ 195,461	\$ 231,934	\$ 166,661	\$ 198,505	\$ 156,645	\$ 1,637,284
General Service Responsive Pricing	\$ 6	\$ 3	\$ (4)	\$ 4	\$ 2	\$ 14	\$ 15	\$ 14	\$ 15	\$ 7	\$ 11	\$ 6	\$ 93
General Service Three Phase Responsive Pricing	\$ 8	\$ 1	\$ (3)	\$ 3	\$ 2	\$ 18	\$ 28	\$ 31	\$ 27	\$ 9	\$ 8	\$ 7	\$ 139
Power Service - Secondary	\$ 287,048	\$ 147,573	\$ (193,435)	\$ 121,742	\$ 129,778	\$ 570,166	\$ 572,959	\$ 434,884	\$ 527,685	\$ 422,087	\$ 510,964	\$ 382,563	\$ 3,914,013
Power Service - Primary	\$ 27,020	\$ 13,592	\$ (18,674)	\$ 10,457	\$ 25,077	\$ 52,881	\$ 51,340	\$ 48,277	\$ 47,095	\$ 40,636	\$ 46,426	\$ 39,522	\$ 383,649
Industrial Time of Day Secondary Service	\$ 10,876	\$ 6,476	\$ (9,643)	\$ 6,188	\$ 6,665	\$ 30,812	\$ 25,127	\$ 20,780	\$ 29,557	\$ 25,026	\$ 30,801	\$ 22,822	\$ 205,486
Commercial Time of Day Secondary Service	\$ 46,189	\$ 26,559	\$ (34,009)	\$ 21,237	\$ 25,024	\$ 97,190	\$ 98,198	\$ 75,047	\$ 90,260	\$ 76,075	\$ 92,287	\$ 71,337	\$ 685,394
Industrial Service - Primary	\$ 209,608	\$ 95,338	\$ (171,848)	\$ 83,593	\$ 89,031	\$ 364,420	\$ 308,689	\$ 285,163	\$ 310,627	\$ 279,395	\$ 379,432	\$ 256,829	\$ 2,490,276
Commercial Time of Day Primary Service	\$ 40,564	\$ 22,609	\$ (30,345)	\$ 19,380	\$ 20,144	\$ 90,166	\$ 84,933	\$ 67,953	\$ 89,740	\$ 78,158	\$ 76,928	\$ 67,411	\$ 627,640
Retail Transmission Service	\$ 46,644	\$ 23,265	\$ (32,070)	\$ 29,317	\$ 36,900	\$ 131,604	\$ 111,613	\$ 82,251	\$ 67,460	\$ 121,110	\$ 133,241	\$ 97,816	\$ 849,151
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ 28,674	\$ 17,956	\$ (18,713)	\$ 12,468	\$ 12,367	\$ 47,244	\$ 53,201	\$ 41,977	\$ 88,719	\$ 33,040	\$ 44,564	\$ 37,076	\$ 398,573
Louisville Water Company Special Contract	\$ 7,541	\$ 3,596	\$ (2,430)	\$ 2,865	\$ 4,551	\$ 13,345	\$ 13,380	\$ 9,426	\$ 12,560	\$ 9,224	\$ 12,319	\$ 10,298	\$ 96,676
Lighting Service	\$ 522	\$ 262	\$ (341)	\$ 188	\$ 217	\$ 622	\$ 598	\$ 445	\$ 840	\$ 663	\$ 1,025	\$ 940	\$ 5,982
Traffic Lighting Service	\$ 402	\$ 222	\$ (276)	\$ 185	\$ 189	\$ 688	\$ 637	\$ 441	\$ 614	\$ 567	\$ 782	\$ 466	\$ 4,916
Restricted Lighting Service	\$ 13,611	\$ 6,831	\$ (8,758)	\$ 4,645	\$ 5,234	\$ 16,860	\$ 15,004	\$ 11,984	\$ 16,995	\$ 17,578	\$ 25,331	\$ 20,038	\$ 145,353
Lighting Service	\$ 1,667	\$ 1,031	\$ (1,479)	\$ 665	\$ 730	\$ 2,254	\$ 2,063	\$ 1,584	\$ 2,423	\$ 2,441	\$ 3,622	\$ 3,023	\$ 20,024
Dark Sky Friendly Lighting	\$ -	\$ -	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2
	\$ 1,472,519	\$ 737,981	\$ (951,598)	\$ 562,981	\$ 638,149	\$ 2,851,120	\$ 2,990,428	\$ 2,392,805	\$ 2,650,567	\$ 1,904,870	\$ 2,373,057	\$ 1,909,620	\$ 19,532,499

LOUISVILLE GAS AND ELECTRIC COMPANY
 Fuel Adjustment Clause Revenues Reflecting Rollin to Base Rates - Twelve Months Ending December 2011

Rate Class	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Reduced Fuel Adjustment Clause Billings Reflecting Base Rate Roll-in for a Full Year													
Residential Service (except VFD)	\$ (666,185)	\$ (525,738)	\$ (470,124)	\$ (415,292)	\$ (419,657)	\$ (653,481)	\$ (778,576)	\$ (912,838)	\$ (888)	\$ 11	\$ 11	\$ (1,595)	\$ (4,844,352)
Volunteer Fire Departments (charged at Rate RS)	\$ (61)	\$ (41)	\$ (44)	\$ (44)	\$ (44)	\$ (57)	\$ (59)	\$ (63)	\$ -	\$ 0	\$ -	\$ 0	\$ (413)
Residential Responsive Pricing	\$ (243)	\$ (186)	\$ (137)	\$ (117)	\$ (116)	\$ (174)	\$ (192)	\$ (220)	\$ -	\$ -	\$ (0)	\$ (0)	\$ (1,386)
Low Emission Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6)	\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ (12)
General Service	\$ (68,091)	\$ (57,662)	\$ (57,607)	\$ (53,310)	\$ (53,633)	\$ (63,997)	\$ (70,230)	\$ (80,220)	\$ (892)	\$ (19)	\$ 556	\$ (967)	\$ (506,072)
General Service Three Phase	\$ (135,011)	\$ (114,045)	\$ (131,992)	\$ (104,202)	\$ (117,451)	\$ (140,515)	\$ (155,304)	\$ (184,886)	\$ (3,138)	\$ (107)	\$ 1,226	\$ (2,923)	\$ (1,088,347)
General Service Responsive Pricing	\$ (8)	\$ (6)	\$ (5)	\$ (7)	\$ (5)	\$ (8)	\$ (9)	\$ (12)	\$ (0)	\$ -	\$ 0	\$ (0)	\$ (60)
General Service Three Phase Responsive Pricing	\$ (8)	\$ (2)	\$ (5)	\$ (3)	\$ (4)	\$ (1)	\$ (17)	\$ (27)	\$ (0)	\$ (0)	\$ -	\$ -	\$ (77)
Power Service – Secondary	\$ (327,970)	\$ (279,325)	\$ (307,376)	\$ (270,664)	\$ (281,461)	\$ (326,899)	\$ (346,917)	\$ (396,020)	\$ (8,872)	\$ (1,559)	\$ 6,294	\$ (6,055)	\$ (2,546,824)
Power Service – Primary	\$ (30,849)	\$ (25,920)	\$ (31,575)	\$ (22,636)	\$ (41,860)	\$ (30,319)	\$ (31,150)	\$ (36,358)	\$ (1,246)	\$ 61	\$ 1,285	\$ (2,354)	\$ (252,919)
Industrial Time of Day Secondary Service	\$ (12,585)	\$ (12,195)	\$ (14,946)	\$ (13,814)	\$ (13,936)	\$ (16,212)	\$ (15,237)	\$ (19,238)	\$ (736)	\$ (75)	\$ 533	\$ (161)	\$ (118,602)
Commercial Time of Day Secondary Service	\$ (51,748)	\$ (51,957)	\$ (57,844)	\$ (44,207)	\$ (52,178)	\$ (53,600)	\$ (59,581)	\$ (69,675)	\$ (3,872)	\$ (986)	\$ 4,123	\$ (2,791)	\$ (444,317)
Industrial Service – Primary	\$ (221,543)	\$ (199,168)	\$ (376,103)	\$ (128,326)	\$ (184,317)	\$ (160,809)	\$ (187,710)	\$ (285,431)	\$ (25,809)	\$ (3,785)	\$ 17,835	\$ (15,048)	\$ (1,770,213)
Commercial Time of Day Primary Service	\$ (45,229)	\$ (44,260)	\$ (49,171)	\$ (43,687)	\$ (42,121)	\$ (48,307)	\$ (51,320)	\$ (62,816)	\$ (1,763)	\$ (164)	\$ 982	\$ (2,931)	\$ (390,788)
Retail Transmission Service	\$ (54,245)	\$ (43,483)	\$ (48,414)	\$ (67,687)	\$ (77,244)	\$ (79,164)	\$ (67,658)	\$ (72,957)	\$ -	\$ (1,978)	\$ -	\$ -	\$ (512,830)
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fort Knox Special Contract	\$ (24,851)	\$ (44,462)	\$ (62,076)	\$ 2,750	\$ (24,734)	\$ 5,249	\$ (32,660)	\$ (56,681)	\$ 16,979	\$ (38,458)	\$ -	\$ -	\$ (258,943)
Louisville Water Company Special Contract	\$ (8,770)	\$ (6,720)	\$ (3,668)	\$ (3,486)	\$ (9,383)	\$ (8,028)	\$ (8,111)	\$ (8,361)	\$ (0)	\$ -	\$ -	\$ -	\$ (56,526)
Lighting Service	\$ (603)	\$ (496)	\$ (532)	\$ (416)	\$ (457)	\$ (365)	\$ (363)	\$ (400)	\$ (8)	\$ 0	\$ 8	\$ (7)	\$ (3,638)
Traffic Lighting Service	\$ (456)	\$ (423)	\$ (439)	\$ (403)	\$ (396)	\$ (396)	\$ (388)	\$ (398)	\$ (8)	\$ 25	\$ 9	\$ (25)	\$ (3,297)
Restricted Lighting Service	\$ (15,792)	\$ (12,882)	\$ (13,556)	\$ (10,478)	\$ (10,928)	\$ (9,861)	\$ (9,159)	\$ (10,788)	\$ (130)	\$ (0)	\$ 116	\$ (199)	\$ (93,658)
Lighting Service	\$ (1,957)	\$ (1,989)	\$ (2,569)	\$ (1,508)	\$ (1,523)	\$ (1,333)	\$ (1,216)	\$ (1,421)	\$ (3)	\$ (1)	\$ 1	\$ (7)	\$ (13,528)
Dark Sky Friendly Lighting	\$ -	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (1)
	\$ (1,666,205)	\$ (1,420,961)	\$ (1,628,184)	\$ (1,177,536)	\$ (1,331,447)	\$ (1,588,287)	\$ (1,815,861)	\$ (2,198,816)	\$ (30,385)	\$ (47,035)	\$ 32,978	\$ (35,064)	\$ (12,906,803)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Eliminate Environmental Surcharge Revenues and Expenses
For the Twelve Months Ended December 31, 2011**

Expense Month	(1) Environmental Compliance Revenues Collected in Base Rates (a)	(2) Environmental Compliance Revenues Collected in Environmental Surcharge (b)	(3) Total Electric Revenues Environmental Compliance Plans (Col. 1+2)	(4) Total Electric Expenses Environmental Compliance Plans (c)	(5) Net Electric (Col. 3 - 4)
Jan-11	746,338	146,568	892,906	236,157	656,749
Feb-11	631,897	819,108	1,451,005	366,180	1,084,825
Mar-11	641,449	742,383	1,383,832	577,743	806,089
Apr-11	603,043	874,121	1,477,164	308,266	1,168,898
May-11	617,028	666,380	1,283,408	356,250	927,158
Jun-11	778,769	1,206,179	1,984,948	310,177	1,674,771
Jul-11	823,052	1,362,039	2,185,091	376,294	1,808,797
Aug-11	937,365	272,788	1,210,153	476,145	734,008
Sep-11	785,071	165,369	950,440	395,130	555,310
Oct-11	630,391	127,590	757,981	322,061	435,920
Nov-11	562,500	126,855	689,355	350,770	338,585
Dec-11	610,687	168,884	779,571	441,778	337,793
Total	\$ 8,367,590	\$ 6,678,264	\$ 15,045,854	\$ 4,516,951	\$ 10,528,903
Adjustment			\$ (15,045,854)	\$ (4,516,951)	\$ (10,528,903)

(a) ES Form 1.10, Line 13 for Jan-Nov; Line 17 for Dec expense month filings.

(b) ES Form 3.00, Column 6.

(c) ES Form 2.00, Total Pollution Control Operations Expense less Proceeds from By-Product and Allowance Sales.

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor**

For the Expense Month of January 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,440,628
(2)	RB / 12	=	6,036,719
(3)	$(ROR + (ROR - DR)(TR / (1 - TR)))$	=	11.18%
(4)	OE	=	236,209
(5)	BAS	=	52
(6)	BR	=	-
(7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 911,062

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	81.57%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	743,153
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	=	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,538,758
(13)	Revenue Collected through Base Rates	= \$	746,338
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	792,420
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	72,673,888
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.09%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor**

For the Expense Month of February 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE \cdot BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,365,045
(2)	RB / 12	=	6,030,420
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.18%
(4)	OE	=	366,283
(5)	BAS	=	103
(6)	BR	=	-
(7)	E(m)	= \$	1,040,381
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	82.87%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	862,164
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	=	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,657,769
(13)	Revenue Collected through Base Rates	= \$	631,897
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,025,872
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	72,968,060
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.41%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of March 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,746,119
(2)	RB / 12	=	6,062,177
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	356,400
(5)	BAS	=	(221,343)
(6)	BR	=	-
(7)	$E(m)$	= \$	1,263,375
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	83.35%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	1,053,023
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 10-242 & 10-475	=	317,225
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,370,248
(13)	Revenue Collected through Base Rates	= \$	641,449
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	728,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	73,335,896
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.99%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of April 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,896,086
(2)	RB / 12	=	6,074,674
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	308,266
(5)	BAS	=	-
(6)	BR	=	-
(7)	E(m)	= \$	995,312
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.50%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	860,945
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475	=	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,656,550
(13)	Revenue Collected through Base Rates	= \$	603,043
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,053,507
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	73,839,618
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.43%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of May 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	74,234,883
(2)	RB / 12	=	6,186,240
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	356,279
(5)	BAS	=	29
(6)	BR	=	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	1,055,913

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.82%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	916,744
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475	=	795,604
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,712,348
(13)	Revenue Collected through Base Rates	= \$	617,028
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,095,320
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	74,567,904
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.47%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

*Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor*

For the Expense Month of June 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	71,757,124
(2)	RB / 12	=	5,979,760
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	310,214
(5)	BAS	=	37
(6)	BR	=	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	986,487

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	92.27%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	910,232
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	910,232
(13)	Revenue Collected through Base Rates	= \$	778,769
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	131,463
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,008,056
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.18%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of July 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,032,384
(2)	RB / 12	=	6,002,699
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	376,346
(5)	BAS	=	52
(6)	BR	=	-
(7)	E(m)	= \$	1,055,199
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	91.80%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	968,673
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	968,673
(13)	Revenue Collected through Base Rates	= \$	823,052
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	145,621
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	74,979,613
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.19%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of August 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,163,121
(2)	RB / 12	=	6,013,593
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	476,182
(5)	BAS	=	37
(6)	BR	=	-
(7)	E(m)	= \$	1,156,282
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	93.59%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	1,082,164
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,082,164
(13)	Revenue Collected through Base Rates	= \$	937,365
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	144,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	76,198,522
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.19%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of September 2011

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))\} + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,226,494
(2)	RB / 12	=	6,018,875
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	395,167
(5)	BAS	=	37
(6)	BR	=	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	1,075,865

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.55%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	941,920
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	941,920
(13)	Revenue Collected through Base Rates	= \$	785,071
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	156,849
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	76,075,877
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.21%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of October 2011

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))\} + OE - BAS + BR$, where
 RB = Environmental Compliance Rate Base
 ROR = Rate of Return on the Environmental Compliance Rate Base
 DR = Debt Rate (both short-term and long-term debt)
 TR = Composite Federal & State Income Tax Rate
 OE = Pollution Control Operating Expenses
 BAS = Total Proceeds from By-Product and Allowance Sales
 BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,290,860
(2)	RB / 12	=	6,024,238
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	322,068
(5)	BAS	=	7
(6)	BR	=	-
(7)	E(m) (2) x (3) + (4) - (5) + (6)	= \$	1,003,401

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	82.68%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	829,612
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	829,612
(13)	Revenue Collected through Base Rates	= \$	630,391
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	199,221
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,853,157
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.26%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of November 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,720,796
(2)	RB / 12	=	6,060,066
(3)	$(ROR + (ROR - DR)(TR / (1 - TR)))$	=	11.31%
(4)	OE	=	350,770
(5)	BAS	=	-
(6)	BR	=	-
(7)	E(m)	= \$	1,036,164
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	81.95%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	849,136
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	849,136
(13)	Revenue Collected through Base Rates	= \$	562,500
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	286,636
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,789,762
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.38%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Group Surcharge Billing Factors

For the Expense Month of December 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	74,552,944	\$ 1,090,517
(2) RB / 12	= \$	6,212,745	\$ 90,876
(3) $(ROR + (ROR - DR)(TR / (1 - TR)))$	=	11.31%	10.84%
(4) OE	= \$	374,820	\$ 66,958
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 1,077,481	\$ 76,809
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	\$	1,154,290	

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	81.15%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	936,706
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	= \$	-
(12) Adjusted Total Jurisdictional E(m) [(10) + (11)]	=	936,706

Calculation of Group Environmental Surcharge Billing Factors

		GROUP 1 (Total Revenue)	GROUP 2 (Net Revenue)
(13) Revenue as a Percentage of Total Revenue for Current Month -- ES Form 3.00	=	100%	0%
(14) Group E(m) [(12) x (13)]	= \$	936,706	\$ -
(15) Adjustment for (Over)/Under-collection pursuant to Case No	= \$	-	\$ -
(16) Prior Period Adjustment related to Revenue (if necessary)	= \$	-	\$ -
(17) Revenue Collected through Base Rates	= \$	610,687	\$ -
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates [(14) + (15) + (16) - (17)]	= \$	326,019	\$ -
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,619,349	\$ -
(20) Group Environmental Surcharge Billing Factors [(18) ÷ (19)]	=	0.43%	0.00%

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	10,896,961	
Subtotal		\$ 76,450,031
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	257,567	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		257,567
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,210,362	
Pollution Control Deferred Income Taxes	2,056,608	
Subtotal		4,266,970
Environmental Compliance Rate Base		\$ 72,440,628

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 100,889
Monthly Depreciation & Amortization Expense	136,047
less investment tax credit amortization	(10,026)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 236,209

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 52	\$ -	\$ 52
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 52	\$ -	\$ 52

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,127,475	
Subtotal		\$ 76,680,545
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	246,693	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		246,693
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,425,274	
Pollution Control Deferred Income Taxes	2,136,919	
Subtotal		4,562,193
Environmental Compliance Rate Base		\$ 72,365,045

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 160,038
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 366,283

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 103	\$ -	\$ 103
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 103	\$ -	\$ 103

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,872,442	
Subtotal		\$ 77,425,512
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	229,697	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		229,697
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,640,185	
Pollution Control Deferred Income Taxes	2,268,905	
Subtotal		4,909,090
Environmental Compliance Rate Base		\$ 72,746,119

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 150,155
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 356,400

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 2,578	\$ 223,921	\$ (221,343)
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 2,578	\$ 223,921	\$ (221,343)

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	12,363,367	
Subtotal		\$ 77,916,437
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	200,566	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		200,566
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,855,097	
Pollution Control Deferred Income Taxes	2,365,820	
Subtotal		5,220,917
Environmental Compliance Rate Base		\$ 72,896,086

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 102,021
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 308,266

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 68,088,518	
Eligible Pollution CWIP Excluding AFUDC	11,534,083	
Subtotal		\$ 79,622,601
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	203,395	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		203,395
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,071,963	
Pollution Control Deferred Income Taxes	2,519,150	
Subtotal		5,591,113
Environmental Compliance Rate Base		\$ 74,234,883

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 148,079
Monthly Depreciation & Amortization Expense	213,428
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 356,279

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 29	\$ -	\$ 29
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 29	\$ -	\$ 29

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	11,951,455	
Subtotal		\$ 76,816,677
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	197,321	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		197,321
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,805,876	
Pollution Control Deferred Income Taxes	2,450,998	
Subtotal		5,256,874
Environmental Compliance Rate Base		\$ 71,757,124

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 106,254
Monthly Depreciation & Amortization Expense	210,835
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	7,652
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 310,214

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	12,458,442	
Subtotal		\$ 77,323,664
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	200,725	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		200,725
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,022,814	
Pollution Control Deferred Income Taxes	2,469,191	
Subtotal		5,492,005
Environmental Compliance Rate Base		\$ 72,032,384

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 170,289
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 376,346

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 52	\$ -	\$ 52
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 52	\$ -	\$ 52

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	12,932,577	
Subtotal		\$ 77,797,799
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	220,653	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		220,653
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,237,960	
Pollution Control Deferred Income Taxes	2,617,371	
Subtotal		5,855,331
Environmental Compliance Rate Base		\$ 72,163,121

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 270,125
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 476,182

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	13,361,797	
Subtotal		\$ 78,227,019
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	221,741	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		221,741
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,454,898	
Pollution Control Deferred Income Taxes	2,767,368	
Subtotal		6,222,266
Environmental Compliance Rate Base		\$ 72,226,494

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 174,545
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	14,565
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 395,167

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	13,797,198	
Subtotal		\$ 78,662,420
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	217,641	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		217,641
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,671,836	
Pollution Control Deferred Income Taxes	2,917,365	
Subtotal		6,589,201
Environmental Compliance Rate Base		\$ 72,290,860

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 61,568
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	54,443
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 322,068

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 7	\$ -	\$ 7
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 7	\$ -	\$ 7

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	14,568,873	
Subtotal		\$ 79,434,095
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	27,348	
Cash Working Capital Allowance	215,491	
Deferred Debit Balance -- Mill Creek Ash Dredging	-	
Subtotal		242,839
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,888,775	
Pollution Control Deferred Income Taxes	3,067,363	
Subtotal		6,956,138
Environmental Compliance Rate Base		\$ 72,720,796

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 104,274
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	32,919
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	7,520
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 350,770

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 74,459,569	\$ -
Eligible Pollution CWIP Excluding AFUDC	7,351,685	1,083,949
Subtotal	\$ 81,811,254	\$ 1,083,949
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	865	
Cash Working Capital Allowance	209,839	6,568
Subtotal	210,704	6,568
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	4,115,932	-
Pollution Control Deferred Income Taxes	3,353,082	-
Subtotal	7,469,014	-
Environmental Compliance Rate Base	\$ 74,552,944	\$ 1,090,517

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,472	\$ 52,540
Monthly Depreciation & Amortization Expense	221,904	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	8,899	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	28,072	
Monthly Surcharge Consulting Fees		14,418
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 374,820	\$ 66,958

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: December 31, 2011

GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
			3,138,445	1,766,317	146,568	\$ 81,172,503	\$ 81,025,935
Jan-11	53,670,168	22,451,005	2,158,942	1,409,347	819,108	\$ 67,977,757	\$ 67,158,649
Feb-11	45,506,117	18,084,243	676,641	1,295,997	742,383	\$ 67,678,169	\$ 66,935,786
Mar-11	46,128,576	18,834,571	1,740,517	830,283	874,121	\$ 63,273,856	\$ 62,399,735
Apr-11	42,787,952	17,040,984	1,969,596	851,874	666,380	\$ 66,256,422	\$ 65,590,042
May-11	45,254,113	17,514,458	4,437,519	1,415,042	1,206,179	\$ 86,758,510	\$ 85,552,331
Jun-11	57,215,197	22,484,573	4,806,290	1,627,342	1,362,039	\$ 94,042,165	\$ 92,680,126
Jul-11	60,671,982	25,574,512	4,591,621	1,891,554	272,788	\$ 105,775,043	\$ 105,502,255
Aug-11	69,075,343	29,943,737	2,677,626	1,499,239	165,369	\$ 87,449,834	\$ 87,284,465
Sep-11	58,381,866	24,725,734	1,950,880	958,522	127,590	\$ 67,228,008	\$ 67,100,417
Oct-11	44,735,180	19,455,835	2,340,079	868,435	126,855	\$ 60,681,094	\$ 60,554,239
Nov-11	40,224,157	17,121,568	1,944,684	1,041,293	168,884	\$ 65,817,090	\$ 65,648,206
Dec-11	43,779,161	18,883,068					\$ 75,619,349
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 65,648,206
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							100.00%
GROUP 1 Revenues as a Percentage of Total Revenues for Current Month							

GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Jan-11						\$ -	\$ -	\$ -
Feb-11						\$ -	\$ -	\$ -
Mar-11						\$ -	\$ -	\$ -
Apr-11						\$ -	\$ -	\$ -
May-11						\$ -	\$ -	\$ -
Jun-11						\$ -	\$ -	\$ -
Jul-11						\$ -	\$ -	\$ -
Aug-11						\$ -	\$ -	\$ -
Sep-11						\$ -	\$ -	\$ -
Oct-11						\$ -	\$ -	\$ -
Nov-11						\$ -	\$ -	\$ -
Dec-11								\$ -
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 65,648,206	
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							0.00%	
GROUP 2 Revenues as a Percentage of Total Revenues for Current Month								

LOUISVILLE GAS AND ELECTRIC COMPANY

**Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended December 31, 2011**

	Electric			
	(1)	(2)	(3)	(4)
	LG&E Off-System Sales Revenue	Total Environmental Surcharge Factor	Average Environmental Surcharge Factor	Off-System Sales Environmental Cost (Col. 1 * 3)
	(Page 2, Col. 3)			
Jan-11	18,303,562	2.12%	1.62%	296,518
Feb-11	13,880,982	2.27%	1.62%	224,872
Mar-11	13,374,699	1.87%	1.62%	216,670
Apr-11	9,742,182	2.24%	1.62%	157,823
May-11	9,952,934	2.30%	1.62%	161,238
Jun-11	7,170,418	1.21%	1.62%	116,161
Jul-11	8,276,729	1.29%	1.62%	134,083
Aug-11	7,222,945	1.42%	1.62%	117,012
Sep-11	12,412,938	1.24%	1.62%	201,090
Oct-11	14,051,649	1.09%	1.62%	227,637
Nov-11	13,174,028	1.12%	1.62%	213,419
Dec-11	15,251,618	1.24%	1.62%	247,076
Total	\$ 142,814,683			\$ 2,313,599
Average		1.62%		
Adjustment				\$ (2,313,599)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended December 31, 2011**

	Electric		
	(1)	(2)	(3)
	Adjusted Jurisdictional E(m) (a)	Jurisdictional R(m) (a)	Total Environmental Surcharge Factor
			(Col. 1 / 2)
Jan-11	1,538,758	72,673,888	2.12%
Feb-11	1,657,769	72,968,060	2.27%
Mar-11	1,370,248	73,335,896	1.87%
Apr-11	1,656,550	73,839,618	2.24%
May-11	1,712,348	74,567,904	2.30%
Jun-11	910,232	75,008,056	1.21%
Jul-11	968,673	74,979,613	1.29%
Aug-11	1,082,164	76,198,522	1.42%
Sep-11	941,920	76,075,877	1.24%
Oct-11	829,612	75,853,157	1.09%
Nov-11	849,136	75,789,762	1.12%
Dec-11	936,706	75,619,349	1.24%
Average			1.62%

(a) ES Form 1.10

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

① 142,814,682.41

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94	\$ 366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses.....	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents.....	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of January 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR) (TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,440,628
(2)	RB / 12	=	6,036,719
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.18%
(4)	OE	=	236,209
(5)	BAS	=	52
(6)	BR	=	-
(7)	E(m)	= \$	911,062
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	81.57%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	743,153
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	=	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,538,758
(13)	Revenue Collected through Base Rates	= \$	746,338
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	792,420
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	72,673,888
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.09%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of February 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,365,045
(2)	RB / 12	=	6,030,420
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.18%
(4)	OE	=	366,283
(5)	BAS	=	103
(6)	BR	=	-
(7)	E(m)	= \$	1,040,381
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	82.87%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	862,164
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	=	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,657,769
(13)	Revenue Collected through Base Rates	= \$	631,897
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,025,872
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	72,968,060
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.41%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of March 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,746,119
(2)	RB / 12	=	6,062,177
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	356,400
(5)	BAS	=	(221,343)
(6)	BR	=	-
(7)	E(m)	= \$	1,263,375
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	83.35%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	1,053,023
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 10-242 & 10-475	=	317,225
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,370,248
(13)	Revenue Collected through Base Rates	= \$	641,449
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	728,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	73,335,896
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.99%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of April 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR/(1-TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,896,086
(2)	RB / 12	=	6,074,674
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	308,266
(5)	BAS	=	-
(6)	BR	=	-
(7)	E(m)	= \$	995,312
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.50%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	860,945
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475	=	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,656,550
(13)	Revenue Collected through Base Rates	= \$	603,043
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,053,507
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 5.00	= \$	73,839,618
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.43%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of May 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	74,234,883
(2)	RB / 12	=	6,186,240
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	356,279
(5)	BAS	=	29
(6)	BR	=	-
(7)	E(m)	= \$	1,055,913
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.82%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	916,744
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475	=	795,604
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,712,348
(13)	Revenue Collected through Base Rates	= \$	617,028
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,095,320
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	74,567,904
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.47%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of June 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	71,757,124
(2)	RB / 12	=	5,979,760
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	310,214
(5)	BAS	=	37
(6)	BR	=	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	986,487

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month – ES Form 3.00	=	92.27%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	910,232
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	910,232
(13)	Revenue Collected through Base Rates	= \$	778,769
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	131,463
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month – ES Form 3.00	= \$	75,008,056
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.18%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of July 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where
 RB = Environmental Compliance Rate Base
 ROR = Rate of Return on the Environmental Compliance Rate Base
 DR = Debt Rate (both short-term and long-term debt)
 TR = Composite Federal & State Income Tax Rate
 OE = Pollution Control Operating Expenses
 BAS = Total Proceeds from By-Product and Allowance Sales
 BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,032,384
(2)	RB / 12	=	6,002,699
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	376,346
(5)	BAS	=	52
(6)	BR	=	-
(7)	E(m)	= \$	1,055,199
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	91.80%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	968,673
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	968,673
(13)	Revenue Collected through Base Rates	= \$	823,052
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	145,621
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	74,979,613
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.19%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of August 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,163,121
(2)	RB / 12	=	6,013,593
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	476,182
(5)	BAS	=	37
(6)	BR	=	-
(7)	E(m)	= \$	1,156,282
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	93.59%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	1,082,164
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,082,164
(13)	Revenue Collected through Base Rates	= \$	937,365
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	144,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	76,198,522
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.19%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of September 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,226,494
(2)	RB / 12	=	6,018,875
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	395,167
(5)	BAS	=	37
(6)	BR	=	-
(7)	E(m)	= \$	1,075,865
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.55%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	941,920
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	941,920
(13)	Revenue Collected through Base Rates	= \$	785,071
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	156,849
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	76,075,877
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.21%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of October 2011

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,290,860
(2)	RB / 12	=	6,024,238
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.31%
(4)	OE	=	322,068
(5)	BAS	=	7
(6)	BR	=	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	1,003,401

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	82.68%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	829,612
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	829,612
(13)	Revenue Collected through Base Rates	= \$	630,391
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	199,221
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,853,157
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.26%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of November 2011

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))\} + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1)	RB	= \$	72,720,796
(2)	RB / 12	=	6,060,066
(3)	$(ROR + (ROR - DR)(TR / (1 - TR)))$	=	11.31%
(4)	OE	=	350,770
(5)	BAS	=	-
(6)	BR	=	-
(7)	E(m)	= \$	1,036,164
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	81.95%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	849,136
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	849,136
(13)	Revenue Collected through Base Rates	= \$	562,500
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	286,636
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,789,762
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	0.38%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Group Surcharge Billing Factors

For the Expense Month of December 2011

Calculation of Total E(m)

- E(m) = $[(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where
- RB = Environmental Compliance Rate Base
 - ROR = Rate of Return on the Environmental Compliance Rate Base
 - DR = Debt Rate (both short-term and long-term debt)
 - TR = Composite Federal & State Income Tax Rate
 - OE = Pollution Control Operating Expenses
 - BAS = Total Proceeds from By-Product and Allowance Sales
 - BR = Beneficial Reuse Operating Expenses

		Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1) RB	= \$	74,552,944	\$	1,090,517
(2) RB / 12	= \$	6,212,745	\$	90,876
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	11.31%		10.84%
(4) OE	= \$	374,820	\$	66,958
(5) BAS	= \$	-		Not Applicable
(6) BR	= \$	-		Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	\$ 1,077,481	\$	76,809
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	\$	1,154,290		

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	81.15%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	936,706
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	= \$	-
(12) Adjusted Total Jurisdictional E(m) [(10) + (11)]	=	936,706

Calculation of Group Environmental Surcharge Billing Factors

		GROUP 1 (Total Revenue)		GROUP 2 (Net Revenue)
(13) Revenue as a Percentage of Total Revenue for Current Month -- ES Form 3.00	=	100%		0%
(14) Group E(m) [(12) x (13)]	= \$	936,706	\$	-
(15) Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-	\$	-
(16) Prior Period Adjustment related to Revenue (if necessary)	= \$	-	\$	-
(17) Revenue Collected through Base Rates	= \$	610,687	\$	-
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates [(14) + (15) + (16) - (17)]	= \$	326,019	\$	-
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	75,619,349	\$	-
(20) Group Environmental Surcharge Billing Factors [(18) + (19)]	=	0.43%		0.00%

Supplemental Exhibit 1
Reference Schedule 1.05

LOUISVILLE GAS AND ELECTRIC COMPANY

To Eliminate Net Brokered and Financial Swap Revenues and Expenses
For the Twelve Months Ended December 31, 2011

	<u>Electric</u>
1. Brokered and Financial Swap Revenues	\$ 2,534,557
2. Brokered and Financial Swap Expenses recorded in revenues	<u>5,271,858</u>
3. Net Brokered and Financial Swap Revenues	<u>\$ (2,737,301)</u>
4. Net Brokered and Financial Swap Revenues adjustment	<u>\$ 2,737,301</u>
5. Operating Expenses related to Brokered and Financial Swap	<u>\$ 71,069 *</u>
6. Net Brokered and Financial Swap Operating Expenses adjustment	<u>\$ (71,069)</u>
7. Total adjustment (Line 4 - Line 6)	<u>\$ 2,808,370</u>

*NOTE: Reflects 1.50% of total labor and labor related costs from regulated trading sales activities.

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

Regulated Trading Labor
For Year Ended January 1, 2011 through December 31, 2011

1 Total Labor		<u>Total</u> \$ 4,736,545
2 Brokered/Swap Trading Percentage		<u>1.64%</u>
3 Total Brokered/Swap Trading Expense		<u><u>77,570</u></u>
4 KU	8.4%	6,501
5 LG&E	91.6%	<u>71,069</u>
6		<u><u>77,570</u></u>

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

	TME DEC 2011 REVENUES	TME DEC 2011 KWH	TOTAL BROKERED & SWAP REVENUES
1 KU	-	-	
2 LG&E	-	-	
3 TOTAL BROKERED	-	-	
4 KU	231,838		
5 LG&E	2,534,557		
6 TOTAL SETTLED SWAP REVENUE	2,766,396	-	
7 KU	4,364,303	99,010,000	
8 LG&E	60,437,290	1,544,495,000	
9 TOTAL SALES FOR RESALE	64,801,594	1,643,505,000	
10 KU	4,596,142	99,010,000	8.4%
11 LG&E	62,971,848	1,544,495,000	91.6%
12 TOTAL BROKERED, SWAP & SFR (EXCLUDES INTERCOMPANY)	67,567,989	1,643,505,000	100.0%
13 BROKERED/SWAP TO TOTAL PERCENT	4.1%	0.0%	
14 STAFF TRADING PERCENTAGE	40.0%		
15 BROKERED TRADING PERCENTAGE	1.64%		

Energy Marketing
 Regulated Trading Labor
 For Year Ended 12/31/2011
 \$'s

COMBINED

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	2,532,183
		Burdens	2,204,362
		Total Burdened Labor	<u><u>4,736,545</u></u>

LGE

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	1,157,011
		Burdens	1,008,354
		Total Burdened Labor	<u><u>2,165,365</u></u>

KU

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	1,374,811
		Burdens	1,195,114
		Total Burdened Labor	<u><u>2,569,925</u></u>

CAPITAL CORP

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	361
		Burdens	894
		Total Burdened Labor	<u><u>1,255</u></u>

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

Regulated Trading & Dispatch Department Personnel

Trading Positions

- 1 Trader
- 2 Dir Trading
- 3 Assoc Trader
- 4 Sr. Trader
- 5 Trader
- 6 Mgr Hourly Trading
- 7 Trader
- 8 Mgr of Trading
- 9 Trader
- 10 Sr. Trader

Dispatching Positions

- 11 Sr Market Compliance Analyst
- 12 Assoc Mkt Compliance Analyst
- 13 Generation Dispatcher
- 14 Dir Marketing
- 15 Generation Dispatcher
- 16 Generation Dispatcher
- 17 Account Manager II Municipals
- 18 Generation Dispatcher
- 19 Mgr Reg Generation Dispatch Op
- 20 Generation Dispatcher
- 21 Mgr Market Compliance
- 22 Generation Dispatcher
- 23 Scheduler
- 24 Sr Market Compliance Analyst
- 25 Sr Dispatcher

26 Trading Positions	10
27 Total Regulated Trading and Dispatch Positions	25
28 Trading Positions as a % of the total	40.00%

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94	\$ 366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
	<u>68,559,749.88</u>	<u>78,764,297.14</u>	<u>903,241,806.61</u>	<u>874,835,977.43</u>	<u>903,241,806.61</u>	<u>874,835,977.43</u>
Total Electric Revenue - Ultimate Consumers					60,437,290.25	22,404,813.92
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	82,377,392.16	99,275,772.30
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	-	(2,765.00)
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	2,534,557.33	7,192,669.48
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	(5,271,858.07)	(4,011,484.98)
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	5,670,214.90	6,445,070.26
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	1,562,779.56	1,457,360.65
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	2,791,700.54	2,696,832.13
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	6,406,420.21	5,317,320.78
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	-	-
	<u>84,801,954.82</u>	<u>93,751,447.34</u>	<u>1,059,750,303.49</u>	<u>1,015,611,566.97</u>	<u>1,059,750,303.49</u>	<u>1,015,611,566.97</u>
Total Electric Operating Revenue.....					343,602,284.48	347,218,737.33
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	56,196,787.48	55,754,968.95
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	57,856,947.55	62,921,664.84
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	89,098.35	89,061.86
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	-	-
	<u>40,352,674.16</u>	<u>45,294,574.24</u>	<u>457,745,117.86</u>	<u>465,984,432.98</u>	<u>457,745,117.86</u>	<u>465,984,432.98</u>
Total Steam Power Generation Expenses.....					536,979.32	412,215.67
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	735,377.68	639,950.53
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	379,817.78	414,964.64
Rents	29,303.70	36,663.99	379,817.78	414,964.64	-	-
	<u>128,107.87</u>	<u>128,007.73</u>	<u>1,652,174.78</u>	<u>1,467,130.84</u>	<u>1,652,174.78</u>	<u>1,467,130.84</u>
Total Hydraulic Generation Expenses.....					17,366,108.88	21,337,589.01
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	237,713.70	209,853.69
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	1,562,397.01	3,652,520.28
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	21,314.08	19,585.53
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	-	-
	<u>645,894.68</u>	<u>5,538,250.05</u>	<u>19,187,533.67</u>	<u>25,219,548.51</u>	<u>19,187,533.67</u>	<u>25,219,548.51</u>
Total Other Power Generation Expenses.....					74,894,547.12	54,379,718.69
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	1,588,107.38	1,626,044.81
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	2,164,861.78	621,822.70
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	-	-
Other Credits.....	-	-	-	-	-	-
	<u>7,231,529.76</u>	<u>5,090,696.66</u>	<u>78,647,516.28</u>	<u>56,627,586.20</u>	<u>78,647,516.28</u>	<u>56,627,586.20</u>
Total Other Power Supply Expenses					\$ 557,232,342.59	\$ 549,298,698.53
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53		

January 26, 2012

Louisville Gas and Electric Company
Distribution of Kwh Output and Load Data
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales	336,416,687	432,578,551	4,260,121,989	4,591,882,579	4,260,121,989	4,591,882,579
Small Commercial and Industrial Sales	105,690,595	131,402,076	1,420,199,307	1,461,031,299	1,420,199,307	1,461,031,299
Large Commercial Sales	172,809,440	197,632,817	2,288,544,888	2,332,211,310	2,288,544,888	2,332,211,310
Large Industrial Sales	169,976,251	213,851,648	2,430,194,056	2,602,851,775	2,430,194,056	2,602,851,775
Public Street and Highway Lighting Sales	5,349,392	6,253,957	51,351,317	54,324,659	51,351,317	54,324,659
Other Sales to Public Authorities	73,289,356	105,882,864	1,190,642,794	1,295,935,082	1,190,642,794	1,295,935,082
Total Sales - Ultimate Consumers	863,531,721	1,087,601,913	11,641,054,351	12,338,236,704	11,641,054,351	12,338,236,704
Sales for Resale	158,719,000	54,968,000	1,544,495,000	535,022,000	1,544,495,000	535,022,000
Intercompany Sales for Resale	425,541,000	489,542,000	3,641,187,000	4,709,981,000	3,641,187,000	4,709,981,000
Brokered Purchases	-	(20,000)	-	(61,000)	-	(61,000)
Total Sales	1,447,791,721	1,632,091,913	16,826,736,351	17,583,178,704	16,826,736,351	17,583,178,704
Used by Electric Department - Station Auxillary	-	-	-	-	-	-
Used by Electric Department - Duplicate Charges	296,146	325,021	2,148,627	2,311,841	2,148,627	2,311,841
Used by Other Departments	1,122,135	-	13,046,118	-	13,046,118	-
Delivered to US Government - Hydro License	418,437	449,402	1,571,011	1,708,802	1,571,011	1,708,802
Used by IMEA	48,477,000	50,808,000	527,689,000	466,320,000	527,689,000	466,320,000
Used by IMPA	52,647,000	53,811,000	556,383,000	497,961,000	556,383,000	497,961,000
Total Kwh Sales, Co. Uses, Etc.	1,550,752,439	1,737,485,336	17,927,574,107	18,551,480,347	17,927,574,107	18,551,480,347
Total System Losses (1)	77,447,561	11,023,414	708,284,049	520,344,403	708,284,049	520,344,403
Total Kwh Output	1,628,200,000	1,748,508,750	18,635,858,156	19,071,824,750	18,635,858,156	19,071,824,750

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load

Kilowatts	1,588,000	1,900,000	2,704,000	2,852,000	2,704,000	2,852,000
Day of the Week	Wednesday	Monday	Tuesday	Wednesday	Tuesday	Wednesday
Date	12/7/2011	12/13/2010	7/12/2011	08/04/2010	7/12/2011	08/04/2010
Hour	7:00 PM	7:00 PM	2:00 PM	3:00 PM	2:00 PM	3:00 PM
Type of Reading - 60 Minute Integrated						

Record Peak

Net 2,852,000 - 08/04/2010

Kentucky Utilities Company
Jurisdictional Utility Revenues
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
	Kentucky Only					
Residential Sales	\$ 47,988,375.38	\$ 64,633,053.34	\$ 493,167,717.03	\$ 507,149,614.38	\$ 493,167,717.03	\$ 507,149,614.38
Small Commercial and Industrial Sales	14,341,239.39	16,290,100.33	177,368,049.63	169,057,147.22	177,368,049.63	169,057,147.22
Large Commercial Sales	10,432,119.75	13,552,378.13	153,478,796.41	156,054,735.56	153,478,796.41	156,054,735.56
Large Industrial Sales	26,564,713.72	26,813,733.79	333,374,938.84	315,272,945.34	333,374,938.84	315,272,945.34
Mine Power	2,494,770.91	3,218,867.38	31,439,098.55	32,341,102.17	31,439,098.55	32,341,102.17
Public Street and Highway Lighting	763,827.61	988,675.68	10,752,067.99	10,595,234.96	10,752,067.99	10,595,234.96
Other Sales to Public Authorities	6,000,776.36	10,065,394.97	104,491,353.23	98,314,510.52	104,491,353.23	98,314,510.52
Municipal Pumping	374,424.02	426,322.15	4,700,344.05	4,540,381.37	4,700,344.05	4,540,381.37
Rate Refunds.....	-	-	-	6.12	-	6.12
Total Electric Revenue - Ultimate Consumers	108,960,247.14	135,988,525.77	1,308,772,365.73	1,293,325,677.64	1,308,772,365.73	1,293,325,677.64
Sales for Resale	22,804.55	-	4,364,303.42	190,343.93	4,364,303.42	190,343.93
Intercompany Sales for Resale	3,322,557.64	984,022.79	32,401,992.52	13,775,333.51	32,401,992.52	13,775,333.51
Wholesale Sales	8,049,227.69	8,707,299.85	103,730,191.53	103,291,802.77	103,730,191.53	103,291,802.77
Settled Swap Revenue.....	-	-	231,838.17	31,586.52	231,838.17	31,586.52
Settled Swap Expense.....	-	-	(574,533.43)	(11,867.02)	(574,533.43)	(11,867.02)
Late Charge Payments.....	427,151.69	758,626.67	7,457,495.97	9,988,850.61	7,457,495.97	9,988,850.61
Miscellaneous Service Revenue	182,102.82	109,782.09	2,341,512.20	2,197,507.35	2,341,512.20	2,197,507.35
Rent from Electric Property	(134,978.61)	48,105.52	1,685,513.88	941,884.34	1,685,513.88	941,884.34
Other Electric Revenue	1,296,927.59	1,004,133.98	14,709,782.04	10,533,681.78	14,709,782.04	10,533,681.78
Total Electric Operating Revenue	\$ 122,126,040.51	\$ 147,600,496.67	\$ 1,475,120,462.03	\$ 1,434,264,801.43	\$ 1,475,120,462.03	\$ 1,434,264,801.43
Virginia Only						
Residential Sales	\$ 4,165,788.49	\$ 6,437,219.11	\$ 32,436,910.41	\$ 38,559,512.54	\$ 32,436,910.41	\$ 38,559,512.54
Small Commercial and Industrial Sales	641,763.69	1,005,951.27	6,454,197.04	7,489,242.95	6,454,197.04	7,489,242.95
Large Commercial Sales	804,973.85	1,208,563.95	9,698,647.17	9,990,934.89	9,698,647.17	9,990,934.89
Large Industrial Sales	288,023.61	217,105.64	3,124,274.32	1,614,283.33	3,124,274.32	1,614,283.33
Mine Power	1,115,827.45	1,520,141.60	13,391,315.25	13,102,181.57	13,391,315.25	13,102,181.57
Public Street and Highway Lighting	15,786.55	33,470.20	395,101.75	312,286.01	395,101.75	312,286.01
Other Sales to Public Authorities	525,149.76	857,358.93	6,193,969.67	6,551,117.89	6,193,969.67	6,551,117.89
Municipal Pumping	16,520.18	22,632.58	171,475.49	197,448.34	171,475.49	197,448.34
Rate Refunds.....	-	-	-	(632,390.04)	-	(632,390.04)
Total Electric Revenue - Ultimate Consumers	7,573,833.58	11,302,443.28	71,865,891.10	77,184,617.48	71,865,891.10	77,184,617.48
Late Charge Payments.....	23,911.45	16,573.21	212,213.81	95,931.55	212,213.81	95,931.55
Miscellaneous Service Revenue	13,897.13	6,353.59	129,150.67	111,635.34	129,150.67	111,635.34
Rent from Electric Property	15,989.62	4,062.88	171,029.49	48,169.20	171,029.49	48,169.20
Other Electric Revenue	10,637.50	61.00	18,239.00	4,557.00	18,239.00	4,557.00
Total Electric Operating Revenue	\$ 7,638,269.28	\$ 11,329,493.96	\$ 72,396,524.07	\$ 77,444,910.57	\$ 72,396,524.07	\$ 77,444,910.57

Kentucky Utilities Company
Distribution of Kwh Output and Load Data
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales.....	656,058,761	949,103,354	6,549,421,114	7,181,625,474	6,549,421,114	7,181,625,474
Small Commercial and Industrial Sales	164,303,201	204,006,743	2,018,961,791	2,072,007,449	2,018,961,791	2,072,007,449
Large Commercial Sales	166,496,755	224,231,525	2,287,663,933	2,498,175,382	2,287,663,933	2,498,175,382
Industrial Sales.....	504,550,509	526,055,295	6,013,408,031	5,764,353,504	6,013,408,031	5,764,353,504
Hydro Power Sales.....	57,531,832	73,137,000	684,726,723	693,997,362	684,726,723	693,997,362
Public Street and Highway Lighting Sales.....	4,280,864	5,839,269	50,815,039	55,934,105	50,815,039	55,934,105
Other Sales to Public Authorities.....	106,098,390	164,662,159	1,584,237,158	1,600,139,247	1,584,237,158	1,600,139,247
Municipal Pumping.....	5,542,348	6,792,300	67,203,674	69,676,728	67,203,674	69,676,728
Total Sales - Ultimate Consumers.....	1,664,862,660	2,153,827,645	19,256,437,463	19,935,909,251	19,256,437,463	19,935,909,251
Sales for Resale.....	539,000	-	99,010,000	4,515,000	99,010,000	4,515,000
Intercompany Sales for Resale.....	120,983,000	30,373,000	1,120,336,000	439,210,000	1,120,336,000	439,210,000
Wholesale Sales.....	156,587,862	185,182,349	1,905,867,063	2,002,284,155	1,905,867,063	2,002,284,155
Total Sales	1,942,972,522	2,369,382,994	22,381,650,526	22,381,918,406	22,381,650,526	22,381,918,406
Kwh Supplied - Company Lighting.....	1,950,988	2,331,643	22,014,658	23,251,969	22,014,658	23,254,105
Kwh Supplied - Free Lighting.....	4,500	4,500	53,768	51,830	53,768	48,687
Used By IMEA.....	42,238,000	19,453,000	459,156,000	44,892,000	459,156,000	44,892,000
Used by IMPA.....	44,940,000	20,678,000	488,140,000	47,694,000	488,140,000	47,694,000
Total Kwh Sales, Co. Uses, Etc.....	2,032,106,010	2,411,850,137	23,351,014,952	22,497,808,205	23,351,014,952	22,497,807,198
Total System Losses (1).....	97,618,990	(26,420,887)	993,779,892	1,444,270,045	993,779,892	1,444,270,045
Total Kwh Output.....	2,129,725,000	2,385,429,250	24,344,794,844	23,942,078,250	24,344,794,844	23,942,077,243

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load						
Kilowatts.....	3,546,000	4,517,000	4,292,000	4,517,000	4,292,000	4,517,000
Day of the Week.....	Thursday	Wednesday	Friday	Wednesday	Friday	Wednesday
Date.....	12/8/2011	12/15/2010	02/11/2011	12/15/2010	02/11/2011	12/15/2010
Hour.....	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM
Type of Reading - 60 Minute Integrated						

Record Peak - Net 4,640,000 Kwh - 01/16/2009

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Eliminate Rate Mechanism Revenue Accruals
For the Twelve Months Ended December 31, 2011**

	Electric	Gas
1. ECR Accrued Revenue in Accounts 440-445	\$ (5,039,496)	\$ -
2. MSR and VDT Accrued Revenue in Accounts 440-445	3,821	-
3. DSM Accrued Revenue in Accounts 440-445	1,763,034	-
4. DSM Accrued Revenue in Accounts 480-482	-	408,439
5. FAC Accrued Revenue in Accounts 440-445	407,000	-
6. GSC Accrued Revenue in Account 480-482	-	-
	-	-
7. Total Accrued Revenues	\$ (2,865,641)	\$ 408,439
8. Total Adjustment	\$ 2,865,641	\$ (408,439)

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Electric)

TOTAL Ultimate Consumers:

	KWH	BILLED REVENUES											Total Revenue	\$/MWH
		Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	11,783,098,136	\$ 51,076,459	\$ 174,660,909	\$ 3,901,524	\$ 373,326,373	\$ 4,464,548	\$ 252,114,287	\$ 32,432,840	\$ 15,455,244	\$ 6,678,264	\$ 3,284	\$ 537	\$ 914,114,269	\$ 77.58
Budget	12,270,114,217	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 385,387,674	\$ 4,517,887	\$ 252,518,951	\$ 6,611,859	\$ 24,975,110	\$ 7,937,320	\$ -	\$ -	\$ 905,334,749	\$ 73.78
Variance	(487,016,081)	\$ 544,989	\$ 7,791,606	\$ (2,083,651)	\$ (12,061,301)	\$ (53,339)	\$ (404,664)	\$ 25,820,981	\$ (9,519,866)	\$ (1,259,056)	\$ 3,284	\$ 537	\$ 8,779,520	\$ 3.79
Dollars per MWH - Actual		\$ 4.33	\$ 14.82	\$ 0.33	\$ 31.68	\$ 0.38	\$ 21.40	\$ 2.75	\$ 1.31	\$ 0.57	\$ -	\$ -	\$ 77.58	
Dollars per MWH - Budget		\$ 4.12	\$ 13.60	\$ 0.49	\$ 31.41	\$ 0.37	\$ 20.58	\$ 0.54	\$ 2.04	\$ 0.65	\$ -	\$ -	\$ 73.78	

TOTAL Ultimate Consumers:

	KWH	ACCRUED REVENUES											Total Revenue	\$/MWH
		Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual: Unbilled Accrual	539,434,000	\$ 2,395,000	\$ 8,098,000	\$ 189,000	\$ 16,557,000	\$ 187,000	\$ 11,944,000	\$ 1,464,000	\$ 665,000	\$ 151,000	\$ -	\$ -	\$ 41,650,000	\$ 77.21
Actual: Unbilled Reversal	(681,477,785)	\$ (2,347,000)	\$ (9,387,000)	\$ (221,000)	\$ (20,631,000)	\$ (233,000)	\$ (14,010,000)	\$ (1,000,000)	\$ (789,000)	\$ (89,000)	\$ -	\$ -	\$ (49,653,000)	\$ 72.86
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,000	\$ 1,763,034	\$ (5,039,496)	\$ -	\$ -	\$ (2,869,462)	\$ -
Actual: Net Accrued Revenues	(142,043,785)	\$ 48,000	\$ (1,289,000)	\$ (32,000)	\$ (4,074,000)	\$ (46,000)	\$ (2,066,000)	\$ (79,000)	\$ 1,639,034	\$ (4,973,496)	\$ -	\$ -	\$ (10,872,462)	\$ 76.54
Budget: Unbilled Accrual	544,329,942	\$ -	\$ -	\$ -	\$ 17,368,177	\$ 206,612	\$ 11,202,310	\$ (429,415)	\$ 1,188,666	\$ 681,686	\$ -	\$ -	\$ 30,218,235	\$ 55.51
Budget: Unbilled Reversal	(527,216,760)	\$ -	\$ -	\$ -	\$ (18,372,122)	\$ (195,168)	\$ (10,850,121)	\$ 304,968	\$ (1,143,625)	\$ (772,423)	\$ -	\$ -	\$ (31,028,491)	\$ 58.85
Budget: Other Accrued Revs	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs	17,113,182	\$ -	\$ -	\$ -	\$ (1,003,945)	\$ 11,644	\$ 352,189	\$ (124,447)	\$ 45,041	\$ (90,737)	\$ -	\$ -	\$ (810,256)	\$ (47.35)

TOTAL Ultimate Consumers:

	KWH	OPERATING REVENUES											Total Revenue	\$/MWH
		Cust. Charge Revenue	* Demand Revenue	Demand Rev. (Demand ECR)	** Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	11,641,054,351	\$ 51,124,459	\$ 173,371,909	\$ 3,869,524	\$ 369,252,373	\$ 4,418,548	\$ 250,048,287	\$ 32,353,840	\$ 17,094,278	\$ 1,704,768	\$ 3,284	\$ 537	\$ 903,241,807	\$ 77.59
Budget	12,287,227,399	\$ 50,531,470	\$ 166,869,303	\$ 5,985,175	\$ 384,383,729	\$ 4,529,531	\$ 252,871,140	\$ 6,487,412	\$ 25,020,151	\$ 7,846,583	\$ -	\$ -	\$ 904,524,493	\$ 73.62
Variance	(646,173,048)	\$ 592,989	\$ 6,502,606	\$ (2,115,651)	\$ (15,131,355)	\$ (110,984)	\$ (2,822,853)	\$ 25,866,428	\$ (7,925,873)	\$ (6,141,815)	\$ 3,284	\$ 537	\$ (1,282,687)	\$ 3.98
Dollars per MWH - Actual		\$ 4.39	\$ 14.69	\$ 0.33	\$ 31.72	\$ 0.38	\$ 21.48	\$ 2.78	\$ 1.47	\$ 0.15	\$ -	\$ -	\$ 77.59	
Dollars per MWH - Budget		\$ 4.11	\$ 13.58	\$ 0.49	\$ 31.28	\$ 0.37	\$ 20.58	\$ 0.53	\$ 2.04	\$ 0.64	\$ -	\$ -	\$ 73.62	

LG&E (Gas)

TOTAL Retail:

	MCF	BILLED REVENUES							Total Revenue	\$/MCF
		Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue			
Actual	31,404,188	\$ 55,053,669	\$ 64,976,296	\$ 3,215,473	\$ 168,616,852	\$ 715,728	\$ -	\$ 292,578,018	\$ 9.32	
Budget	31,402,330	\$ 55,189,127	\$ 65,251,939	\$ 1,650,297	\$ 213,879,148	\$ -	\$ -	\$ 335,970,511	\$ 10.70	
Variance	1,858	\$ (135,458)	\$ (275,643)	\$ 1,565,176	\$ (45,262,296)	\$ 715,728	\$ -	\$ (43,392,493)	\$ (1.38)	
Dollars per MCF - Actual		\$ 1.75	\$ 2.07	\$ 0.10	\$ 5.37	\$ 0.02	\$ -	\$ 9.32		
Dollars per MCF - Budget		\$ 1.76	\$ 2.08	\$ 0.05	\$ 6.81	\$ -	\$ -	\$ 10.70		
TOTAL Inter-segment:										
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00	
Dollars per MCF - Actual		\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00		
Dollars per MCF - Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL Transportation:										
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50	
Budget	11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46	
Variance	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04	
Dollars/MCF Transportd. - Actual		\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50		
Dollars/MCF Transportd. - Budget		\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46		
TOTAL Retail, Inter-segment and Transport:										
Actual	43,714,038	\$ 55,067,121	\$ 75,072,818	\$ 3,222,760	\$ 172,662,263	\$ 715,728	\$ -	\$ 306,740,690	\$ 7.02	
Budget	42,666,693	\$ 55,189,127	\$ 70,265,475	\$ 1,650,297	\$ 214,040,593	\$ -	\$ -	\$ 341,145,492	\$ 8.00	
Variance	1,047,345	\$ (122,006)	\$ 4,807,343	\$ 1,572,463	\$ (41,378,330)	\$ 715,728	\$ -	\$ (34,404,802)	\$ (0.98)	
Dollars/MCF Sold - Actual		\$ 1.26	\$ 1.72	\$ 0.07	\$ 3.95	\$ 0.02	\$ -	\$ 7.02		
Dollars/MCF Sold - Budget		\$ 1.29	\$ 1.65	\$ 0.04	\$ 5.02	\$ -	\$ -	\$ 8.00		

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Gas) (continued)

	ACCRUED REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
TOTAL Retail:									
Actual: Unbilled Accrual	2,592,628	\$ 58,056	\$ 5,446,021	\$ 443,000	\$ 13,413,267	\$ 1,554,000	\$ -	\$ 20,914,344	\$ 8.07
Actual: Unbilled Reversal	(4,039,200)	\$ (35,000)	\$ (8,479,000)	\$ (888,000)	\$ (21,789,776)	\$ 2,140,000	\$ -	\$ (28,521,776)	\$ 7.06
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ 408,439	\$ -	\$ -	\$ -	\$ 408,439	\$ -
Actual: Net Accrued Revenues	(1,446,572)	\$ 23,056	\$ (3,032,979)	\$ 493,439	\$ (8,376,509)	\$ 3,694,000	\$ -	\$ (7,198,993)	\$ 4.98
Budget: Unbilled Accrual	16,780,813	\$ -	\$ 35,068,769	\$ 881,848	\$ 114,100,330	\$ -	\$ -	\$ 150,950,947	\$ 8.94
Budget: Unbilled Reversal	(16,698,163)	\$ -	\$ (34,523,400)	\$ (887,340)	\$ (114,970,668)	\$ -	\$ -	\$ (150,381,408)	\$ 9.01
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	82,650	\$ -	\$ 545,369	\$ (5,492)	\$ (670,338)	\$ -	\$ -	\$ (330,461)	\$ (4.00)
	OPERATING REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
TOTAL Retail:									
Actual	29,957,616	\$ 55,076,725	\$ 61,943,317	\$ 3,708,911	\$ 160,240,344	\$ 4,409,728	\$ -	\$ 285,379,024	\$ 9.53
Budget	31,484,980	\$ 55,189,127	\$ 65,797,308	\$ 1,844,805	\$ 213,008,810	\$ -	\$ -	\$ 335,640,050	\$ 10.66
Variance	(1,527,364)	\$ (112,402)	\$ (3,853,991)	\$ 2,064,106	\$ (52,768,466)	\$ 4,409,728	\$ -	\$ (50,261,026)	\$ (1.13)
Dollars per MCF - Actual	\$ 1.84	\$ 2.07	\$ 0.12	\$ 5.35	\$ 0.15	\$ -	\$ -	\$ 9.53	\$ -
Dollars per MCF - Budget	\$ 1.75	\$ 2.09	\$ 0.05	\$ 6.77	\$ -	\$ -	\$ -	\$ 10.66	\$ -
TOTAL Inter-segment:									
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Dollars per MCF - Actual	\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ -	\$ 8.00	\$ -
Dollars per MCF - Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL Transportation:									
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50
Budget	11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46
Variance	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04
Dollars/MCF Transp'd. - Actual	\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ -	\$ 0.50	\$ -
Dollars/MCF Transp'd. - Budget	\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.46	\$ -
TOTAL Retail, Inter-segment and Transport:									
Actual	42,267,466	\$ 55,090,177	\$ 72,039,839	\$ 3,716,199	\$ 164,285,764	\$ 4,409,728	\$ -	\$ 299,541,697	\$ 7.09
Budget	42,749,343	\$ 55,189,127	\$ 70,810,844	\$ 1,644,805	\$ 213,170,255	\$ -	\$ -	\$ 340,815,031	\$ 7.97
Variance	(481,877)	\$ (98,950)	\$ 1,228,995	\$ 2,071,394	\$ (48,884,501)	\$ 4,409,728	\$ -	\$ (41,273,334)	\$ (0.89)
Dollars/MCF Sold - Actual	\$ 1.30	\$ 1.70	\$ 0.09	\$ 3.89	\$ 0.10	\$ -	\$ -	\$ 7.09	\$ -
Dollars/MCF Sold - Budget	\$ 1.29	\$ 1.66	\$ 0.04	\$ 4.99	\$ -	\$ -	\$ -	\$ 7.97	\$ -

Supplemental Exhibit 1
Reference Schedule 1.07

LOUISVILLE GAS AND ELECTRIC COMPANY

To Eliminate DSM Revenues and Expenses
For the Twelve Months Ended December 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. DSM revenue adjustment	\$ (15,455,244)	\$ (3,222,760)
2. DSM expense adjustment	<u>(10,021,207)</u>	<u>(2,281,107)</u>
3. Net Adjustment	<u>\$ (5,434,037)</u>	<u>\$ (941,653)</u>

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

LG&E (Gas) (continued)

	ACCRUED REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
TOTAL Retail:									
Actual: Unbilled Accrual	2,592,628	\$ 58,056	\$ 5,446,021	\$ 443,000	\$ 13,413,267	\$ 1,554,000	\$ -	\$ 20,914,344	\$ 8.07
Actual: Unbilled Reversal	(4,039,200)	\$ (35,000)	\$ (8,479,000)	\$ (358,000)	\$ (21,789,776)	\$ 2,140,000	\$ -	\$ (28,521,776)	\$ 7.06
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ 408,439	\$ -	\$ -	\$ -	\$ 408,439	\$ -
Actual: Net Accrued Revenues	(1,446,572)	\$ 23,056	\$ (3,032,979)	\$ 493,439	\$ (8,376,509)	\$ 3,694,000	\$ -	\$ (7,198,993)	\$ 4.98
Budget: Unbilled Accrual	16,780,813	\$ -	\$ 35,068,769	\$ 881,848	\$ 114,100,330	\$ -	\$ -	\$ 150,050,947	\$ 8.94
Budget: Unbilled Reversal	(16,698,163)	\$ -	\$ (34,523,400)	\$ (887,340)	\$ (114,970,668)	\$ -	\$ -	\$ (150,361,408)	\$ 9.01
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	82,650	\$ -	\$ 545,369	\$ (5,492)	\$ (870,338)	\$ -	\$ -	\$ (330,461)	\$ (4.00)
	OPERATING REVENUES							Total Revenue	\$/MCF
	MCF	Cust. Charge Revenue	Dist. Charge Revenue	DSM Revenue	GSC Revenue	WNA Revenue	VDT Revenue		
TOTAL Retail:									
Actual	29,957,616	\$ 55,076,725	\$ 61,943,317	\$ 3,708,911	\$ 160,240,344	\$ 4,409,728	\$ -	\$ 285,379,024	\$ 9.53
Budget	31,484,980	\$ 55,189,127	\$ 65,797,308	\$ 1,644,805	\$ 213,008,810	\$ -	\$ -	\$ 335,640,050	\$ 10.66
Variance	(1,527,364)	\$ (112,402)	\$ (3,853,991)	\$ 2,064,106	\$ (52,768,466)	\$ 4,409,728	\$ -	\$ (50,261,026)	\$ (1.13)
Dollars per MCF - Actual		\$ 1.84	\$ 2.07	\$ 0.12	\$ 5.35	\$ 0.15	\$ -	\$ 9.53	
Dollars per MCF - Budget		\$ 1.75	\$ 2.09	\$ 0.05	\$ 6.77	\$ -	\$ -	\$ 10.66	
TOTAL Inter-segment:									
Actual	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Budget	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variance	1,067,127	\$ 13,452	\$ 4,906,664	\$ -	\$ 3,614,519	\$ -	\$ -	\$ 8,534,635	\$ 8.00
Dollars per MCF - Actual		\$ 0.01	\$ 4.60	\$ -	\$ 3.39	\$ -	\$ -	\$ 8.00	
Dollars per MCF - Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Transportation:									
Actual	11,242,723	\$ -	\$ 5,189,858	\$ 7,288	\$ 430,892	\$ -	\$ -	\$ 5,628,038	\$ 0.50
Budget	11,264,363	\$ -	\$ 5,013,536	\$ -	\$ 161,445	\$ -	\$ -	\$ 5,174,981	\$ 0.46
Variance	(21,640)	\$ -	\$ 176,322	\$ 7,288	\$ 269,447	\$ -	\$ -	\$ 453,057	\$ 0.04
Dollars/MCF Transportd. - Actual		\$ -	\$ 0.46	\$ -	\$ 0.04	\$ -	\$ -	\$ 0.50	
Dollars/MCF Transportd. - Budget		\$ -	\$ 0.45	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.46	
TOTAL Retail, Inter-segment and Transport:									
Actual	42,267,466	\$ 55,090,177	\$ 72,039,839	\$ 3,716,199	\$ 164,265,754	\$ 4,409,728	\$ -	\$ 299,541,697	\$ 7.09
Budget	42,749,343	\$ 55,189,127	\$ 70,810,844	\$ 1,644,805	\$ 213,170,255	\$ -	\$ -	\$ 340,815,031	\$ 7.97
Variance	(481,877)	\$ (98,950)	\$ 1,228,995	\$ 2,071,394	\$ (48,884,501)	\$ 4,409,728	\$ -	\$ (41,273,334)	\$ (0.89)
Dollars/MCF Sold - Actual		\$ 1.30	\$ 1.70	\$ 0.09	\$ 3.89	\$ 0.10	\$ -	\$ 7.09	
Dollars/MCF Sold - Budget		\$ 1.29	\$ 1.66	\$ 0.04	\$ 4.99	\$ -	\$ -	\$ 7.97	

LG&E Adjusted DSM Expense
For the 12 Months Ended December 31, 2011

Calculation of DSM Expenses for ASSD Filing - 2011

DSM Adjusted Expenses from Over/Under File

	Electric	Gas	Total
Jan-11	555,516.00	157,983.49	713,499.49
Feb-11	313,124.01	139,902.65	453,026.67
Mar-11	625,121.03	178,021.46	803,142.49
Apr-11	439,600.56	71,413.85	511,014.40
May-11	710,389.64	226,307.30	936,696.93
Jun-11	1,014,376.60	274,535.34	1,288,911.93
Jul-11	961,396.95	179,704.21	1,141,101.15
Aug-11	1,408,567.43	145,786.00	1,554,353.43
Sep-11	889,831.45	278,698.90	1,168,530.34
Oct-11	871,008.93	227,386.85	1,098,395.78
Nov-11	758,129.12	213,449.67	971,578.79
Dec-11	1,446,032.75	187,028.38	1,633,061.13
	<u>\$ 9,993,094.45</u>	<u>\$ 2,280,218.08</u>	<u>\$ 12,273,312.53</u>

LG&E T-Stat and CCS Expense not in DCR

Electric	Gas	Total Adjustments
21,269.12	63.64	21,332.76
(189.40)	1,219.40	1,030.00
973.45	66.55	1,040.00
1,025.10	113.90	1,139.00
391.60	67.00	458.60
-	-	-
741.60	-	741.60
11,119.65	1,143.14	12,262.79
(8,029.18)	(892.13)	(8,921.31)
-	-	-
2,575.00	-	2,575.00
(1,764.32)	(892.13)	(2,656.45)
<u>\$ 28,112.62</u>	<u>\$ 889.37</u>	<u>\$ 29,001.99</u>

LG&E Total Expense for ASSD Filing

Electric	Gas	Total
576,785.12	158,047.13	734,832.25
312,934.61	141,122.06	454,056.67
626,094.48	178,088.01	804,182.49
440,625.66	71,527.75	512,153.40
710,781.24	226,374.30	937,155.53
1,014,376.60	274,535.34	1,288,911.93
962,138.55	179,704.21	1,141,842.75
1,419,687.08	146,929.14	1,566,616.22
881,802.27	277,806.77	1,159,609.03
871,008.93	227,386.85	1,098,395.78
760,704.12	213,449.67	974,153.79
1,444,268.43	186,136.25	1,630,404.68
<u>\$ 10,021,207.07</u>	<u>\$ 2,281,107.45</u>	<u>\$ 12,302,314.52</u>

LG&E Adjusted DSM Expense
For the 12 Months Ended December 31, 2011

LG&E
Total Expenses per DSM File
FY 2011

	Electric	Gas	Total
Jan-11	555,516.00	157,983.49	713,499.49
Feb-11	313,124.01	139,902.66	453,026.67
Mar-11	625,121.03	178,021.46	803,142.49
Apr-11	439,600.56	71,413.85	511,014.40
May-11	710,389.64	226,307.30	936,696.93
Jun-11	1,014,376.60	274,535.34	1,288,911.93
Jul-11	961,396.95	179,704.21	1,141,101.15
Aug-11	1,408,567.43	145,786.00	1,554,353.43
Sep-11	889,831.45	278,698.90	1,168,530.34
Oct-11	871,008.93	227,386.85	1,098,395.78
Nov-11	758,129.12	213,449.67	971,578.79
Dec-11	1,446,032.75	187,028.38	1,633,061.13
	<u>\$ 9,993,094.45</u>	<u>\$ 2,280,218.08</u>	<u>\$ 12,273,312.53</u>

LG&E
Adjusted DSM Expenses - Reconciliation
For 12 Months Ended December 31, 2011

Accrual Adjustment (a)	CCS Expense (b)	T-STAT Expenses (c)	Total Expenses	General Ledger (Acct. 908005)	Difference
160,000.00		21,332.76	894,832.25	894,832.29	(0.04)
60,000.00		1,030.00	514,056.67	514,056.74	(0.07)
15,000.00	\$ 25.00	1,015.00	819,182.49	819,182.55	(0.06)
(82,000.00)		1,139.00	430,153.40	430,153.46	(0.06)
(66,000.00)		458.60	871,155.53	871,155.54	(0.01)
(18,000.00)			1,270,911.93	1,270,911.96	(0.03)
17,000.00		741.60	1,158,842.75	1,158,842.78	(0.03)
9,000.00	\$ 50.00	12,212.79	1,575,616.22	1,575,616.22	-
(130,000.00)		(8,921.31)	1,029,609.03	1,029,609.06	(0.03)
(140,000.00)		-	958,395.78	958,395.78	-
(28,000.00)		2,575.00	946,153.79	946,153.80	(0.01)
(55,000.00)		(2,656.45)	1,575,404.68	1,575,404.64	0.04
<u>\$ (258,000.00)</u>	<u>\$ 75.00</u>	<u>\$ 28,926.99</u>	<u>\$ 12,044,314.52</u>	<u>\$ 12,044,314.82</u>	<u>\$ (0.30)</u>

(a) Accruals are made on a monthly basis to Oracle Account 908005 for estimated DSM expenses. Accruals for estimated expenses are not recoverable through the DCR mechanism until the actual amount of the expenditures are known and recorded to the GL. As a result, the accruals are excluded from the DSM expenses for purposes of the ASSD filing.

(b) CCS expenses (expenses that are recorded directly from CCS to Oracle Account 908005) should be recoverable expenses. However, when they were incurred, they did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The CCS expenses were customer account write-offs. Certain customers signed up for energy audit, HVAC diagnostic, and HVAC tune up programs, but did not pay for these charges even though the company performed these services. As such, the expenses are allowed through the mechanism and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.

(c) The T-Stat expenses are similar to (b) above. These expenses were recorded to Oracle Account 908005 when they occurred, but did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The T-STAT expenses are now considered recoverable and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.

Σ(1) = 29,001.99

Supplemental Exhibit 1
Reference Schedule 1.08

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Annualize Year-End Customers
At December 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. Revenue adjustment	\$ (2,958,286)	\$ (417,040)
2. Expense adjustment	(1,939,276)	(95,320)
	<hr/>	<hr/>
3. Net adjustment	<u>\$ (1,019,010)</u>	<u>\$ (321,720)</u>

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Average Number of Customers, 13 Months Ended December 31, 2011	Number of Customers Served at December 31, 2011	Year-End Over / (Under) 13-Month Average (2) - (1)	Actual kWh	Average kWh per Customer per Year (4) / (1)	Year-End kWh Adjustment (3) * (5)	Current Rates Net Revenue (Base Rates + FAC - Base ECR)	Average Revenue per kWh (7) / (4)	Revenue Adjustment (6) * (8)
RS	351,272	349,550		4,662,425,233					
RSWH	0	0		-					
RRP	73	64		1,281,626					
LEV	0	1		14,539					
Residential Service	351,345	349,615	(1,730)	4,663,721,398	13,273	(22,962,290) \$	381,209,505 \$	0.08174 \$	(1,876,938)
VFD	5	5		415,143			31,033 \$		
GSS	28,857	28,983		506,988,247					
GSWH	0	0		-					
GSSH	0	0		-					
GS3	15,282	15,670		1,063,734,477					
GRP	5	4		60,001					
G3RP	2	2		74,044					
General Service	44,146	44,659	513	1,570,856,769	35,583	18,254,079 \$	143,339,744 \$	0.09125 \$	1,665,685
Power Service									
PSP	90	86		260,161,140					
Primary	90	86	(4)	260,161,140	2,890,679	(11,562,716) \$	17,915,619 \$	0.06886 \$	(796,209)
PSS	2,992	2,865		2,558,923,335					
Secondary	2,992	2,865	(127)	2,558,923,335	855,255	(108,617,385) \$	187,919,101 \$	0.07344 \$	(7,976,861)
Time of Day									
CTODP	28	33		403,122,412					
Commercial Primary	28	33	5	403,122,412	14,397,229	71,986,145 \$	25,706,917 \$	0.06377 \$	4,590,556
CTODS	98	104		443,364,894					
Commercial Secondary	98	104	6	443,364,894	4,524,131	27,144,786 \$	28,593,567 \$	0.06449 \$	1,750,567
ITODP	56	55		1,681,248,495					
Industrial Primary	56	55	(1)	1,681,248,495	30,022,294	(30,022,294) \$	93,400,278 \$	0.05555 \$	(1,667,738)
ITODS	33	38		129,265,032					
Industrial Secondary	33	38	5	129,265,032	3,917,122	19,585,610 \$	8,713,743 \$	0.06741 \$	1,320,266
RTS	11	11		543,242,472					
Retail Transmisison Service	11	11	0	543,242,472	49,385,679	0 \$	29,876,761 \$	0.05500 \$	-
CSR	1	1		-					
Curtailable Service Rider	1	1	0	0	0	0 \$	- \$	- \$	-
FLSP	0	0		-					
FLST	0	0		-					
Fluctuating Load Service	0	0	0	-	0	0 \$	- \$	- \$	-
LE	129	175		4,240,021					
Lighting Energy	129	175	46	4,240,021	32,868	1,511,928 \$	236,094 \$	0.05568 \$	84,184
TE	1,009	1,017		3,447,837					
Traffic Energy	1,009	1,017	8	3,447,837	3,417	27,336 \$	274,752 \$	0.07969 \$	2,178
FK	1	1		241,724,000					
LWC	2	2		60,988,800					
Special Contract Customers	3	3	0	302,712,800	100,904,266	0 \$	16,195,974 \$	0.05350 \$	-
LS									
Lighting Service	11,956	13,393	1.437	14,090,523	1,178	1,692,786 \$	3,449,933 \$	per Light per Year 289 \$	414,650
RLS									
Restricted Lighting Service	74,680	72,342	(2,338)	101,829,845	1,363	(3,186,694) \$	14,988,874 \$	201 \$	(469,255)
DSK									
Dark Sky Friendly	5	7	2	1,112	222	444 \$	1,569 \$	314 \$	627
Total Revenue Adjustment									\$ (2,958,286)
									(1,939,276)
									\$ (1,019,011)

Expenses at an Operating Ratio of 0.655540173 (see page 2)

ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

CALCULATION OF ELECTRIC OPERATING RATIO

TOTAL ELECTRIC OPERATING EXPENSES	723,648,351
LESS WAGES AND SALARIES	84,891,736
LESS PENSIONS AND BENEFITS	38,333,256
LESS REGULATORY COMMISSION EXPENSE	<u>1,184,733</u>
NET EXPENSES	599,238,626

TOTAL ELECTRIC OPERATIONS REVENUES (AS BILLED) 914,114,269

OPERATING RATIO 0.655540173

Louisville Gas and Electric Company
Year-End Customer Adjustment
For the 12-months ended December 31, 2011

	Avg. Number of Customers 13 Months Ended December 31, 2011 (1)	Number of Customers Served at December 31, 2011 (2)	Year-End Over/(Under) Average (Col. 2 - 1) (3)	Weather Normalized Mcf (4)	Average Mcf per Customer (Col. 4 / 1) (5)	Year-End Mcf Adjustment (Col. 3 x 5) (6)	Net Revenue Adjusted for Temperatures (7)	Average Revenue per Mcf (8)	Revenue Adjustment (9)
Residential Rate RGS	291,336	291,752	416	20,262,718	69.6	28,954 \$	89,063,307 \$	4.3954	127,263
Commercial Rate CGS	25,608	25,143	(465)	9,391,603	366.7	(170,516) \$	29,978,494	3.1921	(544,303)
Industrial Rate IGS	216	216	-						
Rate AAGS	15	15	-						
Rate FT	76	76	-						
Intra-Company	3	3	-						
Fort Knox duPont	1 1	1 1	- -						
Special Contracts	2	2	-						
TOTAL	317,256	317,207	(49)	29,654,321.2		(141,561.9)	119,041,800.7		(417,040)
Expenses at an Operating Ratio of -			0.2286 (see page 2)						(95,320)
ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES									\$ (321,720)

Louisville Gas and Electric Company
Year-End Customer Adjustment
For the 12-months ended December 31, 2011

CALCULATION OF GAS OPERATING RATIO

TOTAL GAS OPERATING EXPENSES	\$ 226,086,638
LESS GAS SUPPLY EXPENSES	\$ 161,235,626
LESS WAGES AND SALARIES	\$ 24,358,699
LESS PENSIONS AND BENEFITS	\$ 9,559,602
LESS REGULATORY COMMISSION EXPENSE	\$ 243,135
NET EXPENSES	<u>30,689,576</u>

TOTAL GAS OPERATIONS REVENUES (AS BILLED)	\$ 306,759,465
LESS GSC REVENUE	<u>\$ 172,487,210</u>
NET REVENUE	134,272,255

OPERATING RATIO 0.2286

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment To Reflect Annualized Depreciation Expenses
At December 31, 2011**

	<u>Electric</u>	<u>Gas</u>
1. Annualized direct depreciation expense under current rates excluding ARO and ECR	\$ 108,367,124	\$ 16,724,679
2. Common plant allocated annualized depreciation expense (a)	<u>14,506,517</u>	<u>5,925,197</u>
3. Total annualized depreciation expense	<u>\$ 122,873,641</u>	<u>\$ 22,649,876</u>
4. Depreciation expense per books for test year	\$ 126,696,578	\$ 23,435,101
5. Depreciation expense for asset retirement costs (ARO)	(2,062,146)	(1,023,455)
6. Depreciation for environmental cost recovery (ECR) plans	<u>(2,475,058)</u>	<u>-</u>
7. Depreciation expense per books excluding ARO and ECR	<u>\$ 122,159,374</u>	<u>\$ 22,411,646</u>
8. Total Adjustment to reflect annualized depreciation expense (Line 3 - Line 7)	<u>\$ 714,267</u>	<u>\$ 238,230</u>

(a) Common plant depreciation was allocated 71% to electric and 29% to gas pursuant to common utility study.

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
ELECTRIC PLANT			
Intangible Plant	\$ 2,240	0.00%	\$ -
Steam Production Plant			
310.20 Land	\$ 6,193,327	0.00%	\$ -
310.25 Land	100,000	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	4,084,602	1.14%	46,564
0142 Cane Run Unit 4 Scrubber	760,360	0.95%	7,223
0151 Cane Run Unit 5	6,266,327	1.92%	120,313
0152 Cane Run Unit 5 Scrubber	1,696,435	1.56%	26,464
0161 Cane Run Unit 6	27,476,430	2.13%	585,248
0162 Cane Run Unit 6 Scrubber	2,004,302	2.04%	40,888
0211 Mill Creek Unit 1	19,891,316	1.64%	326,218
0212 Mill Creek Unit 1 Scrubber	1,709,711	1.65%	28,210
0221 Mill Creek Unit 2	11,532,775	1.42%	163,765
0222 Mill Creek Unit 2 Scrubber	1,393,404	1.81%	25,221
0231 Mill Creek Unit 3	24,500,221	1.51%	369,953
0232 Mill Creel Unit 3 Scrubber	362,867	1.47%	5,334
0241 Mill Creek Unit 4	64,262,881	1.85%	1,188,863
0242 Mill Creek Unit 4 Scrubber	5,330,552	1.76%	93,818
0311 Trimble County Unit 1	115,104,804	2.08%	2,394,180
0312 Trimble County Unit 1 Scrubber	493,910	2.28%	11,261
0321 Trimble County Unit 2	25,993,298	2.10%	545,859
	\$ 322,736,789		\$ 5,979,384
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	1,052,271	0.00%	-
0121 Cane Run Unit 2	132,276	0.00%	-
0131 Cane Run Unit 3	705,480	0.00%	-
0141 Cane Run Unit 4	31,342,106	5.88%	1,842,916
0142 Cane Run Unit 4 Scrubber	17,050,368	4.93%	840,583
0151 Cane Run Unit 5	40,807,537	6.11%	2,493,340
0152 Cane Run Unit 5 Scrubber	28,112,261	4.07%	1,144,169
0161 Cane Run Unit 6	55,219,941	5.19%	2,865,915
0162 Cane Run Unit 6 Scrubber	32,458,665	4.46%	1,447,656
0203 Mill Creek Locomotive	613,424	2.90%	17,789
0204 Mill Creek Rail Cars	2,965,012	3.13%	92,805
0211 Mill Creek Unit 1	56,256,407	4.24%	2,385,272
0212 Mill Creek Unit 1 Scrubber	43,569,497	4.50%	1,960,627
0221 Mill Creek Unit 2	53,298,846	4.70%	2,505,046
0222 Mill Creek Unit 2 Scrubber	35,719,947	4.28%	1,528,814
0231 Mill Creek Unit 3	143,060,652	3.87%	5,536,447
0232 Mill Creek Unit 3 Scrubber	63,256,714	3.85%	2,435,384
0241 Mill Creek Unit 4	248,201,993	3.85%	9,555,777
0242 Mill Creek Unit 4 Scrubber	114,257,526	3.71%	4,238,954
0311 Trimble County Unit 1	217,217,965	3.62%	7,863,290
0312 Trimble County Unit 1 Scrubber	63,633,187	3.62%	2,303,521
0321 Trimble County Unit 2	121,585,784	4.28%	5,203,872
0322 Trimble County Unit 2 FGD	14,269,003	4.28%	610,713
	\$ 1,386,340,184		\$ 56,921,423
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	9,318,503	3.09%	287,942
0151 Cane Run Unit 5	7,931,773	2.22%	176,085
0161 Cane Run Unit 6	16,728,286	3.29%	550,361
0211 Mill Creek Unit 1	14,686,468	2.15%	315,759
0221 Mill Creek Unit 2	17,091,027	2.46%	420,439

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
0231 Mill Creek Unit 3	31,675,230	2.15%	681,017
0241 Mill Creek Unit 4	42,573,105	2.29%	974,924
0311 Trimble County Unit 1	57,000,938	2.48%	1,413,623
0321 Trimble County Unit 2	20,447,427	2.78%	568,438
	\$ 218,159,941		\$ 5,388,589
315.00 Accessory Electric Equipment			
0112 Cane Run Unit 1	1,883,657	0.00%	\$ -
0121 Cane Run Unit 2	1,238,068	0.00%	-
0131 Cane Run Unit 3	766,540	0.00%	-
0141 Cane Run Unit 4	5,920,914	3.18%	188,285
0142 Cane Run Unit 4 Scrubber	987,949	0.82%	8,101
0151 Cane Run Unit 5	9,434,825	2.97%	280,214
0152 Cane Run Unit 5 Scrubber	2,216,499	1.49%	33,026
0161 Cane Run Unit 6	12,602,452	2.80%	352,869
0162 Cane Run Unit 6 Scrubber	2,199,915	1.44%	31,679
0211 Mill Creek Unit 1	15,688,649	2.75%	431,438
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	15,049,880	1.58%	237,788
0232 Mill Creek Unit 3 Scrubber	2,531,773	1.56%	39,496
0241 Mill Creek Unit 4	24,032,537	1.75%	420,569
0242 Mill Creek Unit 4 Scrubber	5,864,979	1.71%	100,291
0311 Trimble County Unit 1	49,158,785	2.13%	1,047,082
0312 Trimble County Unit 1 Scrubber	2,736,920	2.12%	58,023
0321 Trimble County Unit 2	8,302,486	2.49%	206,732
	\$ 178,078,846		\$ 3,754,804
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	2,930,864	4.32%	126,613
0162 Cane Run Unit 6 Scrubber	31,569	2.75%	868
0211 Mill Creek Unit 1	740,549	3.22%	23,846
0221 Mill Creek Unit 2	125,821	2.90%	3,649
0231 Mill Creek Unit 3	410,061	2.59%	10,621
0241 Mill Creek Unit 4	7,285,290	3.04%	221,473
0242 Mill Creek Unit 4 Scrubber	74,851	2.83%	2,118
0311 Trimble County Unit 1	2,917,560	2.89%	84,317
0321 Trimble County Unit 2	1,540,223	2.78%	42,818
	\$ 16,345,184		\$ 528,588
317.00 Asset Retirement Obligations - Steam *	27,798,267		
Total Steam	\$ 2,155,752,539		\$ 72,572,788
Hydraulic Production Plant - Project 289			
0451 - Ohio Falls Project 289			
330.20 Land	\$ 6	0.00%	\$ -
331.00 Structures and Improvements	4,897,580	0.08%	3,918
332.00 Reservoirs, Dams & Waterways	11,690,252	3.30%	385,778
333.00 Water Wheels, Turbines and Generators	19,945,214	0.25%	49,863
334.00 Accessory Electric Equipment	5,509,836	2.94%	161,989
335.00 Misc. Power Plant Equipment	284,789	2.29%	6,522
336.00 Roads, Railroads and Bridges	28,797	0.00%	-
	\$ 42,356,472		\$ 608,070

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
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%	-
337.00 Asset Retirement Obligations - Hydro *	103,529		
	<u>\$ 195,918</u>		<u>\$ 759</u>
Total Hydraulic Plant	<u>\$ 42,552,390</u>		<u>\$ 608,829</u>
Other Production Plant			
340.20 Land	\$ 8,133	0.00%	\$ -
341.00 Structures and Improvements			
0171 Cane Run GT 11	211,518	1.34%	2,834
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
	<u>\$ 15,004,439</u>		<u>\$ 479,952</u>
342.00 Fuel Holders, Producers and Accessories			
0171 Cane Run GT 11	\$ 319,042	3.85%	\$ 12,283
0410 Zorn and River Road Gas Turbine	23,434	0.59%	138
0430 Paddys Run Generator 11	9,238	0.58%	54
0431 Paddys Run Generator 12	21,667	0.85%	184
0432 Paddys Run Generator 13	2,255,338	3.08%	69,464
0459 Brown CT 5	846,907	3.07%	26,000
0460 Brown CT 6	403,060	2.99%	12,051
0461 Brown CT 7	141,363	2.99%	4,227
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
	<u>\$ 7,598,824</u>		<u>\$ 240,879</u>
343.00 Prime Movers			
0432 Paddys Run Generator 13	\$ 20,146,191	3.84%	\$ 773,614
0459 Brown CT 5	15,877,891	3.84%	609,711
0460 Brown CT 6	19,951,722	3.85%	768,141
0461 Brown CT 7	18,239,647	3.81%	694,931
0470 Trimble County CT 5	16,268,198	3.88%	631,206
0471 Trimble County CT 6	13,120,484	3.88%	509,075
0474 Trimble County CT 7	13,611,692	3.99%	543,107
0475 Trimble County CT 8	13,496,647	3.99%	538,516
0476 Trimble County CT 9	13,407,237	3.99%	534,949
0477 Trimble County CT 10	13,352,630	3.99%	532,770
	<u>\$ 157,472,340</u>		<u>\$ 6,136,019</u>
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	3,249,360	3.00%	97,481

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
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
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
	<u>\$ 33,171,947</u>		<u>\$ 1,071,812</u>
345.00 Accessory Electric Equipment			
0171 Cane Run GT 11	\$ 116,627	2.40%	\$ 2,799
0410 Zorn and River Road Gas Turbine	44,283	2.31%	1,023
0430 Paddys Run Generator 11	68,109	4.27%	2,908
0431 Paddys Run Generator 12	912,642	3.82%	34,863
0432 Paddys Run Generator 13	2,778,993	3.32%	92,263
0459 Brown CT 5	2,588,423	3.32%	85,936
0460 Brown CT 6	970,189	3.26%	31,628
0461 Brown CT 7	953,200	3.26%	31,074
0470 Trimble County CT 5	706,963	3.38%	23,895
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	4,387,836	3.52%	154,452
	<u>\$ 20,692,503</u>		<u>\$ 710,825</u>
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	-	0.00%	-
0432 Paddys Run Generator 13	1,281,034	2.81%	35,997
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	25,333	3.10%	785
	<u>\$ 3,796,323</u>		<u>\$ 106,347</u>
347.00 Asset Retirement Obligations Other Production *	38,429		
	<u>\$ 237,782,939</u>		<u>\$ 8,745,834</u>
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	6,456,555	1.17%	75,542
353.1 Station Equipment	127,564,599	1.32%	1,683,853
354 Towers & Fixtures	40,070,495	1.38%	552,973
355 Poles & Fixtures	53,282,212	2.95%	1,571,825
356 Overhead Conductors & Devices	47,242,307	2.52%	1,190,506
357 Underground Conduit	2,437,094	1.85%	45,086
358 Underground Conductors & Devices	5,659,798	3.65%	206,583
359 Asset Retirement Obligations - Transmission *	252,454		
	<u>\$ 292,319,974</u>		<u>\$ 5,631,399</u>
Electric Distribution Plant			
360.2 Substation Land	\$ 4,110,849	0.00%	\$ -
360.2 Substation Land Class A (Plant Held for Future Use)	637,632	0.00%	-
361 Substation Structures	4,257,660	1.01%	43,002
362.1 Substation Equipment	106,268,031	1.01%	1,073,307

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
362.1 Substation Equipment - Class A (Plant Held for Future Use)	11,382	0.00%	-
364 Poles Towers & Fixtures	135,482,460	3.00%	4,064,474
365 Overhead Conductors & Devices	234,012,661	2.90%	6,786,367
366 Underground Conduit	69,528,364	1.25%	869,105
367 Underground Conductors & Devices	145,471,542	1.76%	2,560,299
368 Line Transformers	140,346,230	2.18%	3,059,548
369.1 Underground Services	6,152,802	2.45%	150,744
369.2 Overhead Services	21,115,397	4.99%	1,053,658
370 Meters	37,655,788	3.79%	1,427,154
373.1 Overhead Street Lighting	34,508,233	2.77%	955,878
373.2 Underground Street Lighting	48,188,855	2.95%	1,421,571
373.4 Street lighting Transformers	-	0.00%	-
374 Asset Retirement Obligations - Distribution *	626,539		
Total Distribution Plant	\$ 988,374,426		\$ 23,465,108
Electric General Plant			
392.1 Transportation Equip Cars & Trucks	\$ 8,184,185	20.00%	\$ 1,636,837
392.2 Transportation Equip Trailers	607,414	3.62%	21,988
394 Tools, Shop, and Garage Equipment	4,603,924	4.39%	202,112
395 Laboratory Equipment	-	30.32%	-
396.1 Power Operated Equip Hourly Rated	2,403,265	20.0%	480,653
396.2 Power operated Equipment Other	151,087	3.17%	4,789
Total General Plant	\$ 15,949,875		\$ 2,346,380
TOTAL ELECTRIC PLANT	\$ 3,732,734,383		\$ 113,370,338

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	92,805
0473 Trimble County CT Pipeline	63,749
392.1 Transportation Equip Cars & Trucks	1,636,837
396.1 Power Operated Equip Hourly Rated	480,653

Less: ECR Depreciation

2,662,848

Total Annualized Depreciation Expense excluding ECR and ARO

\$ 108,367,124

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
GAS PLANT			
Intangible Plant	\$ 387	0.00%	\$ -
Underground Storage			
350.1 Land	\$ 29,501	0.00%	\$ -
350.2 Rights of Way	95,614	0.00%	-
351.2 Compressor Station Structures	5,410,191	1.36%	73,579
351.3 Reg Station Structures	33,152	0.00%	-
351.4 Other Structures	2,113,072	0.92%	19,440
352.40 Well Drilling	2,079,488	0.36%	7,486
352.50 Well Equipment ARO	3,303,149	3.46%	114,289
352.55 Well Equipment	4,774,777	3.46%	165,207
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	13,420,154	1.68%	225,459
354 Compressor Station Equipment	16,329,315	1.28%	209,015
355 Measuring & Regulating Equipment	524,850	1.22%	6,403
356 Purification Equipment	11,973,222	1.92%	229,886
357 Other Equipment	1,235,647	2.18%	26,937
358 Asset Retirement Obligations - Und Storage *	5,201,173		
Total Underground Storage	\$ 79,260,902		\$ 1,166,471
Gas Transmission Plant			
365.2 Rights of Way	\$ 220,659	0.27%	\$ 596
367 Mains	18,839,308	0.37%	69,705
368.07 Asset Retirement Obligation - Cost Gas Trans	3,941,519		
Total Transmission Plant	23,001,485		70,301
Gas Distribution Plant			
374 Land	\$ 59,725	0.00%	\$ -
374.2 Land Rights	74,018	0.04%	30
375.1 City Gate Structures	367,966	1.06%	3,900
375.2 Other Distribution Structures	532,497	8.35%	44,464
376 Mains	324,092,533	1.76%	5,704,029
378 Measuring and Reg Equipment	12,438,038	2.53%	314,682
379 Meas & Reg Equipment - City Gate	4,383,870	2.33%	102,144
380 Services	193,629,870	3.60%	6,970,675
381 Meters	39,833,752	3.99%	1,589,367
383 House Regulators	23,477,955	2.22%	521,211
385 Industrial Meas & Reg Station Equip	944,360	0.94%	8,877
387 Other Equipment	51,112	3.48%	1,779
388 Asset Retirement Obligations - Distribution *	11,931,609		
Total Distribution Plant	\$ 611,817,305		\$ 15,261,157
Gas General Plant			
392.1 Cars & Trucks	\$ 1,269,820	20.00%	\$ 253,964
392.2 Trailers	585,412	4.76%	27,866
394 Other Equipment	4,147,480	4.68%	194,102
395 Laboratory Equipment	-	36.02%	-
396.1 Power Operated Equipment Hourly rated	2,286,752	20.00%	457,350
396.2 Power Operated Equipment Other	177,782	2.69%	4,782
Total General Plant	\$ 8,467,246		\$ 938,064
TOTAL GAS PLANT	\$ 722,547,326		\$ 17,435,993

Louisville Gas and Electric Company
Annualized Depreciation
at December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Under Curr. Rates
Less: Amounts not included in Income Statement Depreciation			
392.1 Cars & Trucks			(253,964)
396.1 Power Operated Equipment Hourly rated			(457,350)
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 16,724,679

COMMON UTILITY PLANT

Intangible Plant

301 Organization	\$ 83,782	0.00%	\$ -
302 Franchises and Consents	-	0.00%	-
303 Misc. Intangible Plant - Software	18,699,664	20.00%	3,739,933
303.1 CCS Software	44,348,601	10.00%	4,434,860
Total Intangible Plant	\$ 63,132,047		\$ 8,174,793

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	61,227,532	3.30%	2,020,509
390.20 Structures and Improvements - Transportation	412,151	25.92%	106,829
390.30 Structures and Improvements - Stores	10,873,331	1.51%	164,187
390.40 Structures and Improvements - Shops	536,692	1.37%	7,353
390.60 Structures and Improvements - Microwave	1,078,816	2.31%	24,921
391.10 Office Furniture	8,532,464	6.01%	512,801
391.20 Office Equipment	2,086,580	8.78%	183,202
391.30 Computer Equipment - Non PC	13,729,742	21.96%	3,015,051
391.31 Personal Computers	3,810,321	20.68%	787,974
391.40 Security Equipment	2,241,823	6.93%	155,358
392.1 Cars & Trucks	245,097	20.0%	49,019
392.2 Trailers	83,874	2.63%	2,206
393 Stores Equipment	1,135,864	5.60%	63,608
394 Other Equipment	3,619,509	5.17%	187,129
395 Laboratory Equipment	-	61.24%	-
396.1 Power Operated Equipment Hourly	235,831	20.0%	47,166
396.2 Power Operated Equipment Other	14,147	4.01%	567
397 Communications Equipment	41,278,294	12.00%	4,953,395
397.10 Comm. Equip. - Computer	6,479,333	0.90%	58,314
398.00 Miscellaneous Equipment	21,816	34.63%	7,555
399.10 ARO Asset Retirement Obligations - Common *	101,390		
Total General Plant	\$ 159,632,018		\$ 12,353,107

TOTAL COMMON UTILITY PLANT

\$ 222,764,065 **\$ 20,527,900**

Less: Amounts not included in Income Statement Depreciation			
392.1 Cars & Trucks			(49,019)
396.1 Power Operated Equipment Hourly			(47,166)
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 20,431,714
Electric Allocation of Common Depreciation Expense (71%)			\$ 14,506,517
Gas Allocation of Common Depreciation Expense (29%)			\$ 5,925,197

TOTAL PLANT IN SERVICE

\$ 4,678,045,774

* 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 December 31, 2011**

Depreciation per ECR filings:	<u>2005-2009 Plans</u>
January, 2011	136,047
February, 2011	211,473
March, 2011	211,473
April, 2011	211,473
May, 2011	213,428
June, 2011	210,835
July, 2011	211,685
August, 2011	211,685
September, 2011	211,685
October, 2011	211,685
November, 2011	211,685
December, 2011	221,904
 Total Depreciation Per ECR Filings	 <u><u>\$ 2,475,058</u></u>
 December 2011 Depreciation Amount	 \$ 221,904
12 months per year	12
Annualized ECR Depreciation at December 31, 2009	<u><u>\$ 2,662,848</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011**

	Electric (1)	Gas (2)	Total (3)
1 Wages (Page 2)	\$ 1,912,281	\$ 478,070	\$ 2,390,351
2 Payroll Taxes (Page 3)	132,080	33,020	165,100
3 401(k) (Page 4)	73,068	18,267	91,335
4 Total	<u>\$ 2,117,429</u>	<u>\$ 529,357</u>	<u>\$ 2,646,786</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011**

	Operating	Construction/ Other	Total
1 Labor for 12 months ended December 31, 2011:			
2 Base	\$ 86,216,625	\$ 29,026,043	\$ 115,242,668
3 Overtime and Premium	10,487,035	4,357,720	14,844,755
4 Less: Labor related to 2011 Windstorm Regulatory Asset	(522,586)		(522,586)
5 TIA	7,226,473	2,203,414	9,429,887
6 Total Labor (Sum of Lines 2 - 5)	<u>\$ 103,407,547</u>	<u>\$ 35,587,177</u>	<u>\$ 138,994,724</u>
7 Total labor Excluding TIA (Line 6 - Line 5)	\$ 96,181,074	\$ 33,383,763	\$ 129,564,837
8 Total Operating and Construction/Other %	74.234%	25.766%	100.000%
9 Annualized base labor at December 31, 2011:			
10 Union LG&E		100% of Total	\$ 46,062,786
11 Exempt LG&E		100% of Total	21,414,150
12 Non-Exempt LG&E		100% of Total	2,277,990
14 Exempt Servco (allocated to LG&E)		45.211% of total	40,530,822
15 Non-Exempt Servco (allocated to LG&E)		45.211% of total	6,907,867
16 Union KU (allocated to LG&E)		1.524% of total	147,886
17 Exempt KU (allocated to LG&E)		1.524% of total	185,770
18 Non-Exempt KU (allocated to LG&E)		1.524% of total	177,141
19 Hourly KU (allocated to LG&E)		1.524% of total	472,276
20 Total Annualized Base Labor (Sum of Lines 10 - 19)			<u>118,176,687</u>
21 Overtime & Premiums (a) (increases allocated as above):			14,844,755
22 Wage increase applied to LG&E union overtime annualized for 2011 (01/01/11 - 11/13/2011 OT labor x 2.5%)			292,868
23 Wage increase applied to LG&E non-exempt overtime annualized for 2011 (01/01/11 - 02/20/11 OT Labor x 3.0%)			1,133
24 Wage increase applied to Servco non-exempt overtime annualized for 2011 (01/01/11 - 02/20/11 OT Labor x 3.0%)			1,973
25 Wage increase applied to KU union and hourly overtime annualized for 2011 (01/01/11 - 07/16/11 OT Labor x 3.0%)			2,898
26 Wage increase applied to KU non-exempt overtime annualized for 2011 (01/01/11 - 02/26/11 OT Labor x 3.0%)			79
27 Less: Storm Labor Related to 2011 Windstorm Regulatory Asset (b)			(522,586)
28 Less: Wage Increase Applied to Labor Related to 2011 Windstorm Regulatory Asset (\$522,586) x 2.5%			(13,065)
29 Total Annualized Labor (Sum of Lines 20 - 28)			<u>\$ 132,784,742</u>
30 Operating Labor based on annualized labor	\$ 132,784,742	x	74.234%
			\$ 98,571,425
31 Operating Labor for 12 months ended December 31, 2011 (Line 7)			<u>96,181,074</u>
32 Labor Adjustment Total (Line 30 - Line 31)			<u>\$ 2,390,351</u>
33 Electric Department		80%	\$ 1,912,281
34 Gas Department		20%	\$ 478,070
35 Total			<u>\$ 2,390,351</u>

(a) Represents actual numbers taken from the Company's financial records for the 12 months ended December 31, 2011.

(b) All labor related to the 2011 Windstorm restoration is assumed to be overtime and premiums.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Reflect Increases in Payroll Taxes
As Applied to the Twelve Months Ended December 31, 2011**

1	Operating Labor increase (Page 2 Line 35)		\$	2,390,351
2	Percentage of wages that do not exceed Social Security (OASDI) limit			<u>88.015%</u>
3	Operating Labor increase subject to Social Security tax (Line 1 x Line 2)		\$	<u>2,103,867</u>
4	Medicare Tax (Line 1 x 1.45%)		\$	34,660
5	Social Security Tax (Line 3 x 6.2%)			<u>130,440</u>
6	Payroll Tax adjustment (Line 4 + Line 5)		\$	<u>165,100</u>
7	Electric Department	80%	\$	132,080
8	Gas Department	20%	\$	<u>33,020</u>
9	Total		\$	<u>165,100</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Company Contribution to 401(k)
As Applied to the Twelve Months Ended December 31, 2011**

1	Direct total payroll for 12 months ended 12/31/11 (Page 2 Line 6)		\$	138,994,724
2	Total 401(k) Company Contribution for 12 months ended 12/31/11			<u>5,310,488</u>
3	401(k) Company Contribution as a percent of payroll (Line 2 ÷ Line 1)			3.821%
4	Operating Labor increase (Page 2 Line 35)			<u>2,390,351</u>
5	401(k) Company Contribution operating increase (Line 3 x Line 4)		\$	<u>91,335</u>
6	Electric Department	80%	\$	73,068
7	Gas Department	20%	\$	<u>18,267</u>
8	Total		\$	<u>91,335</u>

Louisville Gas & Electric Co.
 Labor for 12 Months Ended 12/31/2011
 Per the General Ledger

	Operating	Construction/ Other	Total
Union: LG&E to LG&E	26,261,566	8,075,586	34,337,152
Union: Servco to LG&E	1,516	-	1,516
Union: KU to LG&E	3,653	2,577	6,230
Union: LG&E to Others		2,939,760	2,939,760
Salary: LG&E to LG&E	12,561,400	4,242,647	16,804,047
Salary: Servco to LG&E	27,780,674	6,261,712	34,042,386
Salary: KU to LG&E	51,024	497	51,521
Salary: LG&E to Others		1,506,348	1,506,348
Hourly: LG&E to LG&E	339,500	648,450	987,950
Hourly: Servco to LG&E	5,657,321	366,538	6,023,859
Hourly: KU to LG&E	424,590	39,989	464,579
Hourly: LG&E to Others		60,985	60,985
Union/Salary/Hourly	73,081,244	24,145,089	97,226,333
Off Duty Other: LG&E to LG&E	7,211,639	2,870,330	10,081,969
Off Duty Other: Servco to LG&E	5,826,389	1,184,482	7,010,871
Off Duty Other: KU to LG&E	97,353	8,586	105,939
Off Duty Other: LG&E to Others	-	817,556	817,556
Off Duty	13,135,381	4,880,954	18,016,335
Total Base	86,216,625	29,026,043	115,242,668
Union: LG&E to LG&E	9,335,995	3,015,495	12,351,490
Union: Servco to LG&E	1	-	1
Union: KU to LG&E	23,453	4,171	27,624
Union: LG&E to Others		1,224,903	1,224,903
Hourly: LG&E to LG&E (non-exempt)	318,714	8,263	326,977
Hourly: Servco to LG&E (non-exempt)	416,073	29,980	446,053
Hourly: KU to LG&E	392,799	73,258	466,057
Hourly: LG&E to Others (non-exempt)		1,650	1,650
Overtime and Premium	10,487,035	4,357,720	14,844,755
LG&E to LG&E	3,296,464	1,070,270	4,366,734
Servco to LG&E	3,889,344	744,813	4,634,157
KU to LG&E	40,665	3,624	44,289
LG&E to Others		384,707	384,707
TIA	7,226,473	2,203,414	9,429,887
Total labor as stated on tab profram adj.-YTD all	103,930,133	35,587,177	139,517,310
LG&E to LG&E	2,454,269	722,119	3,176,388
Servco to LG&E	1,711,558	332,460	2,044,018
KU to LG&E	24,548	2,610	27,158
LG&E to Others		62,924	62,924
401 (k)	4,190,375	1,120,113	5,310,488
Total	108,120,508	36,707,290	144,827,798

Date	JE Number	Storm Expenses	Normal Operations	Reg Asset	Storm Expenses + Normal Ops Adjustment
9/30/2011	242-0100-0911	7,798,301.67	378,651.00	7,419,650.67	Storm Expenses
10/31/2011	244-0100-1011	272,828.01	-	272,828.01	Storm Expenses
11/30/2011	222-0100-1111	305,411.85	-	305,411.85	Storm Expenses
12/31/2011	225-0100-1211	-	-	-	Normal Ops True-Up by FERC (no adjustment to total)
12/31/2011	226-0100-1211	54,234.12	-	54,234.12	Storm Expenses
TOTAL		<u>8,430,775.65</u>	<u>378,651.00</u>	<u>8,052,124.65</u>	

Burdened

Date	JE Number	Storm Expense OPEX Labor	OPEX NonLabor	Normal Operations OPEX Labor	OPEX NonLabor	Regulatory Asset OPEX Labor	OPEX NonLabor	
9/30/2011	242-0100-0911	1,099,677.94	6,698,623.73	342,864.00	35,787.00	756,813.94	6,662,836.73	
10/31/2011	244-0100-1011	504.86	272,323.15			504.86	272,323.15	
11/30/2011	222-0100-1111	4,648.06	300,763.79			4,648.06	300,763.79	
12/31/2011	225-0100-1211					-	-	
12/31/2011	226-0100-1211	16.65	54,217.47			16.65	54,217.47	
		<u>1,104,847.51</u>	<u>7,325,928.14</u>			<u>761,983.51</u>	<u>7,290,141.14</u>	8,052,124.65

Raw

Date	Storm Expense OPEX Labor	OPEX NonLabor	Normal Operations OPEX Labor	OPEX NonLabor	Regulatory Asset OPEX Labor	OPEX NonLabor	
9/30/2011	754,458.90	6,698,623.73	235,144.19	35,787.00	519,314.71	6,662,836.73	
10/31/2011	353.68	272,323.15			353.68	272,323.15	
11/30/2011	2,904.11	300,763.79			2,904.11	300,763.79	
12/31/2011					-	-	
12/31/2011	13.71	54,217.47			13.71	54,217.47	
	<u>757,730.40</u>	<u>7,325,928.14</u>			<u>522,586.21</u>	<u>7,290,141.14</u>	7,812,727.35

Calculated Burden Rate 1.46

1.46

Regulatory Asset Summary

Raw Storm Labor	757,730.40
Normal Ops Adj	<u>235,144.19</u>
Reg Asset Raw Labor	522,586.21

Louisville Gas & Electric Co.

Report for Company : 100
 As of Date: 12/31/2011

		<u>Cumulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	686	46,062,785.60 A	67,146.92
Exempt			
Total Employees	230	20,719,760.00 B	90,085.91
Nonexempt			
Total Employees	46	2,277,990.00 C	49,521.52
Senior Management			
Total Employees	4	694,390.00 B	173,597.50

Σ(B) = 21414150

LG&E and KU Services Company

Report for Company: 020

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Exempt			
Total Employees	852	76,657,932.20 (A)	89,974.10
Nonexempt			
Total Employees	372	15,279,173.00 B	41,073.05
Senior Management			
Total Employees	61	12,990,210.00 (A)	212,954.26

$$\begin{aligned}
 (A) &= 89,1648,14230 \\
 &\times 45.2119\% \\
 &= 40530822
 \end{aligned}$$

$$\begin{aligned}
 B &= 15279173 \times 45.2119\% \\
 &= 6907867
 \end{aligned}$$

Kentucky Utilities

Report for Company : 110

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	145	9,703,782.40 ^A	66,922.64
Exempt			
Total Employees	136	11,701,914.00 ^(B)	86,043.49
Hourly			
Total Employees	446	30,989,233.60 ^D	69,482.59
Nonexempt			
Total Employees	210	11,623,440.20 ^C	55,349.72
Senior Management			
Total Employees	3	487,740.00 ^(B)	162,580.00

$$\begin{aligned} \Sigma (B) &= 12,189,694 = \text{total Exempt} \\ &\times 1.524\% \quad \text{KLL} \\ \hline &185770 \end{aligned}$$

$$\begin{aligned} (A) \quad &9703782.40 \\ &\times 1.524 \\ \hline &147886 \end{aligned}$$

$$\begin{aligned} (C) \quad &11623440.20 \\ &\times 1.524 \\ \hline &177141 \end{aligned}$$

$$\begin{aligned} (D) \quad &30989233.60 \\ &1.524 \\ \hline &472276 \end{aligned}$$

Labor Charged by Exp Org Company to Company (Exp Types 0101-0174)

2011

Row Labels	Values					Pct of Total
	Sum of 1st	Sum of 2nd	Sum of 3rd	Sum of 4th	Sum of Total	
P00020: TOTAL LG&E AND KU SERVICES COMPANY	22,884,184	22,131,751	22,940,427	21,478,865	89,435,226	100.000%
4	547,399	444,312	390,717	355,521	1,737,949	1.943%
20	159	33,405	40,281	43,145	116,990	0.131%
100 (LG&E)	10,273,278	9,961,243	10,440,357	9,759,505	40,434,382	45.211%
110 (KU)	12,032,265	11,661,102	12,038,547	11,287,292	47,019,205	52.573%
301	29,856	31,900	28,975	33,403	124,135	0.139%
304	-	-	1,550	-	1,550	0.002%
507	-	891	-	-	891	0.001%
508	1,228	(1,103)	-	-	125	0.000%
P01000: TOTAL LGE UTILITY	18,289,650	18,511,637	18,145,783	17,279,313	72,226,382	100.000%
4	391	536	310	107	1,344	0.002%
100 (LG&E)	16,875,423	16,947,441	16,722,548	15,954,927	66,500,340	92.072%
110 (KU)	1,413,835	1,563,660	1,422,925	1,324,278	5,724,698	7.926%
P10040: TOTAL KU COMPANY	16,897,764	17,275,402	17,364,610	15,134,154	66,671,929	100.000%
4	3,191	3,246	3,395	2,597	12,429	0.019%
20	-	-	-	160	160	0.000%
100 (LG&E)	180,149	312,695	393,658	129,509	1,016,011	1.524%
110 (KU)	16,714,424	16,959,461	16,967,557	15,001,888	65,643,330	98.457%
Grand Total	58,071,597	57,918,790	58,450,820	53,892,332	228,333,538	

Calculation for Percentage of Wages That Do Not Exceed the Social Security Limit

		SS Wages		Medicare Wages		
Servco		\$94,723,156.02	E13	\$122,101,354.61	F13	77.577%
Allocated to LG&E	45.21%	42,824,338.84		55,202,022.42		
Allocated to KU	52.57%	49,795,963.12		64,188,682.12		
LG&E		81,472,454.92	A13	86,118,340.35	B13	94.605%
Servco Allocated to LG&E	45.21%	42,824,338.84		55,202,022.42		77.577%
KU Allocated to LG&E	1.52%	1,238,381.31		1,308,998.77		94.605%
		<u>125,535,175.07</u>		<u>142,629,361.54</u>		88.015%
KU		76,803,680.11	C13	84,436,673.86	D13	90.960%
Servco Allocated to KU	52.57%	49,795,963.12		64,188,682.12		77.577%
LG&E Allocated to KU	7.92%	6,082,851.46		6,687,384.57		90.960%
		132,682,494.69		155,312,740.55		85.429%

LOUISVILLE GAS AND ELECTRIC COMPANY

To Adjust for Pension, Post Retirement and Post Employment
For the Twelve Months Ended December 31, 2011

	<u>Pension</u>	<u>Post Retirement</u>	<u>Post Employment</u>	<u>Total</u>
1 Pension, Post Retirement and Post Employment expenses in test year	\$ 24,694,304	\$ 6,247,448	\$ 219,362	\$ 31,161,114
2 Pension, Post Retirement, and Post Employment expenses annualized for 2012 Mercer Study	<u>19,295,608</u>	<u>5,386,918</u>	<u>476,507</u>	<u>25,159,033</u>
3 Total adjustment (Line 2 - Line 1)	<u>\$ (5,398,696)</u>	<u>\$ (860,530)</u>	<u>\$ 257,145</u>	<u>\$ (6,002,081)</u>
4 Electric Department (a) 80%				\$ (4,801,665)
5 Gas Department (a) 20%				<u>(1,200,416)</u>
6 Total Adjustment				<u>\$ (6,002,081)</u>

(a) Percentages taken from Reference Schedule 1.10

**Louisville Gas and Electric Company
Pension Proforma Calculation**

	LG&E	Servco
1. Company O&M Pension expense (excluding Servco)	\$ 15,913,085	
2. Total Company Pension costs (excluding Servco)	<u>21,012,530</u>	
3. % O&M to total (Line 1/Line 2)	75.7%	
4. Servco O&M Pension expense charged to LG&E		\$ 8,781,219
5. Total Servco Pension costs charged to LG&E		<u>10,329,358</u>
6. % O&M to total (Line 4/Line 5)		85.0%
7. Projected 2012 Cost per Mercer Study (for LG&E includes LG&E Union and Non-Union Plans)	\$ 17,056,790	\$ 16,599,016
8. Servco % allocated to LG&E based on labor split		45.2%
9. Expected O&M expenses (Line 3, Line 8 x Line 7)	\$ 12,917,347	\$ 7,502,755
10. Servco O&M charged to LG&E (Line 6 x Line 9 Servco)	<u>6,378,261</u>	
11. Total O&M costs for 2012 Mercer target (Line 9 + Line 10)	<u>\$ 19,295,608</u>	
12. LG&E 12 months ended December 2011 O&M (Line 1)	\$ 15,913,085	
13. Servco allocation for 12 months ended December 2011 O&M (Line 4)	<u>8,781,219</u>	
14. Test Year O&M for 12 months ended December 2011 (Line 12 + Line 13)	<u>\$ 24,694,304</u>	
15. Expenses over (under) test year (Line 11 - Line 14)	<u>\$ (5,398,696)</u>	

**Louisville Gas and Electric Company
Post-retirement Proforma Calculation**

		LG&E	Servco
1. Company O&M Post-retirement expense (excluding Servco)		\$ 5,507,499	
2. Total Company Post-retirement costs (excluding Servco)		7,178,993	
3. % O&M to total	(Line 1/Line 2)	76.7%	
4. Servco O&M Post-retirement expense charged to LG&E			\$ 739,949
5. Total Servco Post-retirement costs charged to LG&E			869,867
6. % O&M to total	(Line 4/Line 5)		85.1%
7. Projected 2012 Cost per Mercer Study		\$ 6,024,573	\$ 1,989,779
8. Servco % allocated to LG&E based on labor split			45.2%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 4,621,864	\$ 899,380
10. Servco O&M charged to LG&E	(Line 6 x Line 9 Servco)	765,054	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 5,386,918	
12. LG&E 12 months ended December 2011 O&M	(Line 1)	\$ 5,507,499	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	739,949	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 6,247,448	
15. Expenses over (under) test year	(Line 11 - Line 14)	\$ (860,530)	

**Louisville Gas and Electric Company
Post-employment Proforma Calculation**

		<u>LG&E</u>	<u>Servco</u>
1. Company O&M Post-employment expense (excluding Servco)		\$ 19,138	
2. Total Company Post-employment costs (excluding Servco)		<u>43,777</u>	
3. % O&M to total	(Line 1/Line 2)	43.7%	
4. Servco O&M Post-employment expense charged to LG&E			\$ 200,224
5. Total Servco Post-employment costs charged to LG&E			<u>235,042</u>
6. % O&M to total	(Line 4/Line 5)		85.2%
7. Projected 2012 Cost per Mercer Study		\$ 679,971	\$ 465,516
8. Servco % allocated to LG&E based on labor split			45.2%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 297,263	\$ 210,413
10. Servco O&M charged to LG&E	(Line 6 x Line 9 Servco)	<u>179,244</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 476,507	
12. LG&E 12 months ended December 2011 O&M	(Line 1)	\$ 19,138	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>200,224</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 219,362	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ 257,145</u>	

Servco to LGE

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M FASB 106 0721	O&M FASB 106 0731	O&M FASB 112 0724	O&M Pensions 0728	O&M Pensions 0730	BS/BTL FASB 106 0721	BS/BTL FASB 106 0731	BS/BTL FASB 112 0724	BS/BTL Pensions 0728	BS/BTL Pensions 0730
B. Servco to LGE	107001	CONSTR WORK IN PROG	0020	0100		0.00	0.00	0.00	0.00	0.00	68,565.55	56.29	18,274.02	813,632.12	7,440.30
B. Servco to LGE	108901	RETIREMENT - RWIP	0020	0100		0.00	0.00	0.00	0.00	0.00	596.51	3.89	153.21	7,180.37	62.35
B. Servco to LGE	143024	A/R MUTUAL AID	0020	0100		0.00	0.00	0.00	0.00	0.00	88.07	0.00	26.63	1,083.55	0.00
B. Servco to LGE	146054	I/C RECEIVABLE - PPL - MUTUAL A	0020	0100		0.00	0.00	0.00	0.00	0.00	153.38	0.00	46.38	1,887.27	0.00
B. Servco to LGE	163002	WAREHOUSE EXPENSES	0020	0100		0.00	0.00	0.00	0.00	0.00	522.18	1.61	143.44	5,720.47	190.72
B. Servco to LGE	163100	OTHER	0020	0100		0.00	0.00	0.00	0.00	0.00	1,865.04	2.67	503.45	21,724.69	313.87
B. Servco to LGE	183201	OTH PREL SUR/INV-GAS	0020	0100		0.00	0.00	0.00	0.00	0.00	19.83	0.00	5.46	244.25	0.00
B. Servco to LGE	183301	PRELIM SURV/INV-ELEC	0020	0100		0.00	0.00	0.00	0.00	0.00	108.59	0.00	30.29	1,336.76	0.00
B. Servco to LGE	184307	ADMIN/OTH EXP-TRANSP	0020	0100		0.00	0.00	0.00	0.00	0.00	1,698.84	3.36	452.28	19,598.77	394.75
B. Servco to LGE	184600	ENGINEERING OVERHEADS - GEN	0020	0100		0.00	0.00	0.00	0.00	0.00	2,685.46	4.17	731.24	31,165.34	466.18
B. Servco to LGE	184602	ENGINEERING OVERHEADS - DIST	0020	0100		0.00	0.00	0.00	0.00	0.00	21,670.30	29.64	5,872.51	254,069.94	3,550.19
B. Servco to LGE	184603	ENGINEERING OVERHEADS - RET.	0020	0100		0.00	0.00	0.00	0.00	0.00	17,185.66	22.15	4,643.97	201,664.53	2,613.10
B. Servco to LGE	184605	ENGINEERING OVERHEADS - TRAI	0020	0100		0.00	0.00	0.00	0.00	0.00	7,321.80	15.71	1,954.55	85,335.32	1,797.83
B. Servco to LGE	426401	EXP-CIVIC/POL/REL	0020	0100		0.00	0.00	0.00	0.00	0.00	849.89	1.01	236.77	10,084.80	117.49
B. Servco to LGE	426491	EXP-CIVIC/POL/REL - INDIRECT	0020	0100		0.00	0.00	0.00	0.00	0.00	146.78	0.11	40.74	1,751.69	12.95
B. Servco to LGE	426501	OTHER DEDUCTIONS	0020	0100		0.00	0.00	0.00	0.00	0.00	173.03	0.13	48.91	2,047.42	14.99
B. Servco to LGE	426591	OTHER DEDUCTIONS - INDIRECT	0020	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	908005	DSM CONSERVATION PROG	0020	0100		14,467.06	21.18	3,898.55	169,217.96	2,492.78	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926101	PENSIONS EXPENSE - BURDENS	0020	0100		0.00	0.00	0.00	3,545,895.54	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926105	FASB 112 (OPEB) POST EMPLOYM	0020	0100		0.00	0.00	75,151.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926106	FASB 106 (OPEB) POST RETIREME	0020	0100		280,813.72	0.00	0.00	0.00	95,377.55	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926117	CLOSED 04/11 - PENSION INTERES	0020	0100		0.00	(19,675.69)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926118	CLOSED 04/11 - FASB 106 INTERES	0020	0100		0.00	0.00	0.00	4,944,510.76	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926911	PENSIONS EXPENSE - BURDENS II	0020	0100		0.00	0.00	121,173.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926915	FASB 112 (OPEB) POST EMPLOYM	0020	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926916	FASB 106 (OPEB) POST RETIREME	0020	0100		443,592.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926917	PENSION INTEREST EXPENSE - BL	0020	0100		0.00	0.00	0.00	0.00	23,724.21	0.00	0.00	0.00	0.00	0.00
B. Servco to LGE	926918	FASB 106 INTEREST (OPEB) POST	0020	0100		0.00	20,730.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Totals

738,872.97 1,076.46 200,224.08 8,659,624.26 121,594.54 129,768.30 148.96 34,818.28 1,530,192.31 17,946.58

Pension
8,781,218.80 O&M 85.01224%
1,548,138.89 B/S 14.98776%
10,329,357.69 Total 2011

FAS 106
739,949.43 O&M 85.06469%
129,917.26 B/S 14.93531%
869,866.69 Total 2011

FAS 112
200,224.08 O&M 85.18638%
34,818.28 B/S 14.81362%
235,042.36 Total 2011

LGE

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M	O&M	O&M	O&M	O&M	BS/BTL	BS/BTL	BS/BTL	BS/BTL	BS/BTL	
						FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730	FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730	
A. LGE to LGE	107001	CONSTR WORK IN PROG	0100	0100		0.00	0.00	0.00	0.00	0.00	807,016.84	42,768.64	5,363.09	2,496,373.54	(7,674.47)	
A. LGE to LGE	108799	RWIP-ARO LEGAL	0100	0100		0.00	0.00	0.00	0.00	0.00	4,595.02	0.00	653.50	14,528.25	0.00	
A. LGE to LGE	108901	RETIREMENT - RWIP	0100	0100		0.00	0.00	0.00	0.00	0.00	97,439.74	4,921.92	(2,147.18)	302,935.79	(812.96)	
A. LGE to LGE	143003	ACCTS REC - IMEA	0100	0100		0.00	0.00	0.00	0.00	0.00	64,086.92	2,288.41	(1,006.12)	190,958.22	(405.68)	
A. LGE to LGE	143004	ACCTS REC - IMPA	0100	0100		0.00	0.00	0.00	0.00	0.00	68,105.63	2,431.90	(1,069.17)	202,932.56	(431.13)	
A. LGE to LGE	143022	ACCTS REC - BEYOND THE METEF	0100	0100		0.00	0.00	0.00	0.00	0.00	356.14	2.38	(14.77)	1,016.73	(0.42)	
A. LGE to LGE	143024	A/R MUTUAL AID	0100	0100		0.00	0.00	0.00	0.00	0.00	1,914.63	0.00	288.12	6,198.94	0.00	
A. LGE to LGE	146054	I/C RECEIVABLE - PPL - MUTUAL A	0100	0100		0.00	0.00	0.00	0.00	0.00	507.84	0.00	76.44	1,644.23	0.00	
A. LGE to LGE	163002	WAREHOUSE EXPENSES	0100	0100		0.00	0.00	0.00	0.00	0.00	50,146.09	2,619.94	(298.44)	156,179.56	(464.45)	
A. LGE to LGE	163004	ASSET RECOVERY	0100	0100		0.00	0.00	0.00	0.00	0.00	2,036.18	199.85	128.30	6,239.69	(35.43)	
A. LGE to LGE	184076	ADMINISTRATIVE AND GENERAL -	0100	0100		0.00	0.00	0.00	0.00	0.00	25,765.25	(471.94)	4,210.98	285,544.54	3,269.87	
A. LGE to LGE	184150	SYSTEM ALLOC-CO 1	0100	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)	0.00	0.00	
A. LGE to LGE	184307	ADMIN/OTH EXP-TRANSP	0100	0100		0.00	0.00	0.00	0.00	0.00	2,445.28	164.97	(5.34)	7,681.94	(29.25)	
A. LGE to LGE	184319	FUEL ADMINISTRATION VEHICLES	0100	0100		0.00	0.00	0.00	0.00	0.00	764.00	55.00	(1.31)	2,401.45	(9.75)	
A. LGE to LGE	184515	MAINTENANCE-ESC	0100	0100		0.00	0.00	0.00	0.00	0.00	142.13	0.00	11.90	327.58	0.00	
A. LGE to LGE	184516	OPERATION-BOC	0100	0100		0.00	0.00	0.00	0.00	0.00	32.21	0.00	4.85	104.28	0.00	
A. LGE to LGE	184517	MAINTENANCE-BOC	0100	0100		0.00	0.00	0.00	0.00	0.00	7.65	0.00	0.64	17.62	0.00	
A. LGE to LGE	184520	MISC FAC O/M-OFFSET	0100	0100		0.00	0.00	0.00	0.00	0.00	(182.02)	0.00	(17.42)	(449.48)	0.00	
A. LGE to LGE	184600	ENGINEERING OVERHEADS - GEN	0100	0100		0.00	0.00	0.00	0.00	0.00	172.53	0.00	(2.28)	460.59	0.00	
A. LGE to LGE	184602	ENGINEERING OVERHEADS - DIST	0100	0100		0.00	0.00	0.00	0.00	0.00	197,164.00	10,546.46	(2,120.76)	614,295.33	(1,881.05)	
A. LGE to LGE	184603	ENGINEERING OVERHEADS - RET.	0100	0100		0.00	0.00	0.00	0.00	0.00	182,372.98	10,910.49	2,572.63	569,232.48	(1,935.69)	
A. LGE to LGE	426501	OTHER DEDUCTIONS	0100	0100		0.00	0.00	0.00	0.00	0.00	11,422.95	51.78	471.09	35,620.54	(9.18)	
A. LGE to LGE	506100	MISC STM PWR EXP	0100	0100		3.08	0.00	0.45	9.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	514100	MTCE-MISC/STM PLANT	0100	0100		0.74	0.00	0.08	1.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	588100	MISC DIST EXP-SUBSTATION OPEI	0100	0100		8.05	0.00	1.21	26.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	591003	MTCE-MISC STRUCT-DIS	0100	0100		89.54	0.00	7.50	206.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	598100	MTCE OF MISC DISTRIBUTION PLA	0100	0100		1.91	0.00	0.16	4.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	880100	OTH GAS DISTR EXPENSE	0100	0100		4.19	0.00	0.63	13.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	886100	MTCE-GAS DIST STRUCT	0100	0100		53.58	0.00	4.48	123.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	905001	MISC CUST SERV EXP	0100	0100		5.19	0.00	0.73	15.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	908005	DSM CONSERVATION PROG	0100	0100		73.28	0.00	(3.29)	237.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	920100	OTHER GENERAL AND ADMIN SAL	0100	0100		11.93	0.00	1.81	38.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	922003	TRIMBLE CTY TRAN-CR	0100	0100		(0.16)	0.00	223.16	(0.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926101	PENSIONS EXPENSE - BURDENS	0100	0100		0.00	0.00	0.00	15,844,202.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926105	FASB 112 (OPEB) POST EMPLOYM	0100	0100		0.00	0.00	8,169.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926106	FASB 106 (OPEB) POST RETIREME	0100	0100		5,432,836.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926117	CLOSED 04/11 - PENSION INTERE	0100	0100		0.00	0.00	0.00	0.00	(96,196.65)	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	926118	CLOSED 04/11 - FASB 106 INTERE	0100	0100		0.00	17,852.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. LGE to LGE	935101	MTCE-GEN PLANT	0100	0100		2.82	0.00	0.24	6.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	107001	CONSTR WORK IN PROG	0100	0110		0.00	0.00	0.00	0.00	0.00	63,674.13	8,688.05	3,237.81	198,917.63	(1,541.60)	
B. LGE to Others	108901	RETIREMENT - RWIP	0100	0110		0.00	0.00	0.00	0.00	0.00	1,129.95	132.27	56.14	3,516.77	(23.43)	
B. LGE to Others	143024	A/R MUTUAL AID	0100	0110		0.00	0.00	0.00	0.00	0.00	158.99	0.00	13.32	366.44	0.00	
B. LGE to Others	184307	ADMIN/OTH EXP-TRANSP	0100	0110		0.00	0.00	0.00	0.00	0.00	2,394.32	164.97	(9.94)	7,515.30	(29.25)	
B. LGE to Others	184319	FUEL ADMINISTRATION VEHICLES	0100	0110		0.00	0.00	0.00	0.00	0.00	749.32	55.00	(2.92)	2,358.92	(9.75)	
B. LGE to Others	184600	ENGINEERING OVERHEADS - GEN	0100	0110		0.00	0.00	0.00	0.00	0.00	1.41	2.19	0.30	8.68	(0.39)	
B. LGE to Others	184605	ENGINEERING OVERHEADS - TRA	0100	0110		0.00	0.00	0.00	0.00	0.00	81.67	0.00	12.29	264.43	0.00	
B. LGE to Others	184612	ENGINEERING OVERHEADS - DIST	0100	0110		0.00	0.00	0.00	0.00	0.00	1,365.02	55.68	166.36	4,182.70	(9.87)	
B. LGE to Others	426501	OTHER DEDUCTIONS	0100	0004		0.00	0.00	0.00	0.00	0.00	2.08	0.00	0.31	6.74	0.00	
B. LGE to Others	426501	OTHER DEDUCTIONS	0100	0110		0.00	0.00	0.00	0.00	0.00	36.55	1.20	0.29	97.76	(0.21)	
B. LGE to Others	506100	MISC STM PWR EXP	0100	0110		0.62	0.00	0.09	2.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	514100	MTCE-MISC/STM PLANT	0100	0110		0.15	0.00	0.02	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926101	PENSIONS EXPENSE - BURDENS	0100	0004		0.00	0.00	0.00	433.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926101	PENSIONS EXPENSE - BURDENS	0100	0110		0.00	0.00	0.00	164,472.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926105	FASB 112 (OPEB) POST EMPLOYM	0100	0004		0.00	0.00	14.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926105	FASB 112 (OPEB) POST EMPLOYM	0100	0110		0.00	0.00	(194.30)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926106	FASB 106 (OPEB) POST RETIREME	0100	0004		143.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926106	FASB 106 (OPEB) POST RETIREME	0100	0110		53,483.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926117	CLOSED 04/11 - PENSION INTERE	0100	0004		0.00	0.00	0.00	0.00	(0.84)	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926117	CLOSED 04/11 - PENSION INTERE	0100	0110		0.00	0.00	0.00	0.00	(511.17)	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926118	CLOSED 04/11 - FASB 106 INTERE	0100	0004		0.00	4.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. LGE to Others	926118	CLOSED 04/11 - FASB 106 INTERE	0100	0110		0.00	2,922.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals						5,486,718.96	20,779.58	8,227.54	16,009,793.36	(96,708.66)	1,585,905.43	85,589.16	10,592.70	5,111,479.75	(12,034.09)	

2012 Net Periodic Pension Cost for Qualified Plans

Regulatory Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	2,485,200	2,011,714	2,505,928	691,710			
c. Gain/loss	10,667,520	3,819,343	3,547,219	7,533,540			
5. Net periodic pension cost	\$ 10,639,398	\$ 6,417,392	\$ 16,599,016	\$ 12,794,781			

Financial Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	778,382	0	0	0			
c. Gain/loss	0	0	0	0			
5. Net periodic pension cost	\$ (1,734,940)	\$ 586,335	\$ 10,545,869	\$ 4,569,531			

LG&E and KU Energy LLC
2012 Net Periodic Benefit Cost For Postretirement Benefit Plans
December 31, 2011 Measurement Date
Financial Accounting (Includes Purchase Accounting)

	Non-Union						LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International	Total			
Service cost	\$491,450	\$1,406,855	\$1,577,596				\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839				2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)				0		
Amortizations:									
Transition	0	0	0				0		
Prior service cost	283,863	586,092	512,905				375,701		
Gain/loss	(9,653)	(796,052)	(8,490)				(346,738)		
Net periodic benefit cost	\$1,844,453	\$2,925,805	\$1,699,281				\$2,841,929		

Regulatory Accounting (Excludes Purchase Accounting)

	Non-Union						LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International	Total			
Service cost	\$491,450	\$1,406,855	\$1,577,596				\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839				2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)				0		
Amortizations:									
Transition	252,457	1,120,928	109,514				417,201		
Prior service cost	568,983	912,738	685,399				1,220,885		
Gain/loss	0	(167,680)	0				(818,162)		
Net periodic benefit cost	\$2,391,683	\$5,001,551	\$1,989,779				\$3,632,890		
Accumulated Postretirement Benefit Obligation (APBO) as of December 31, 2011	33,701,479	76,240,751	29,641,760				50,568,553		

LG&E & KU Energy. LLC

Estimated Year End FAS 112 Liability For Post-Employment Benefits For Disabled Employees

Liability Date	LG&E	KU	ServCo	International	WKE	Total
12/31/2011	4,311,798	5,422,837	2,186,069			
12/31/2012	4,991,769	5,536,024	2,651,585			
12/31/2013	5,658,500	5,626,845	3,107,206			
12/31/2014	6,262,101	5,733,038	3,557,025			
12/31/2015	6,827,619	5,820,825	3,955,462			

Notes

1. Plan costs have been based on census data as of November 2010.
2. Future employees were projected to become disabled based on the assumptions used in the determination of the 2011 FAS 106 expense.
3. All other data, methods, plan provisions and assumptions (including 4.55% discount rate) are the same as those used in the determination of the December 31, 2010 FAS 112 liability, including a reduction in liability for Medicare-eligible disableds associated with the Medicare Modernization Act of 2003.



Supplemental Exhibit 1
Reference Schedule 1.12

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Reflect Normalized Storm Damage Expense
For the Twelve Months Ended December 31, 2011

	Electric
1. Storm damage provision based upon ten year average	\$ 5,394,427
2. Storm damage expenses incurred during the 12 months ended December 31, 2011	6,814,290
3. Adjustment	\$ (1,419,863)

Year	Expense	CPI-All Urban Consumers	Amount
2011	\$ 6,814,290 (a)	1.0000	\$ 6,814,290
2010	1,535,593	1.0316	1,584,118
2009	5,405,075 (a)	1.0485	5,667,221
2008	6,107,323 (a)	1.0448	6,380,931
2007	2,172,237	1.0849	2,356,660
2006	5,725,974	1.1158	6,389,042
2005	1,982,820	1.1518	2,283,812
2004	13,866,592	1.1908	16,512,338
2003	2,350,428	1.2225	2,873,398
2002	2,465,175	1.2504	3,082,455
Total			\$53,944,265
Ten Year Average			\$ 5,394,427

(a) 2008, 2009, and 2011 expenses do not include 2008 Wind storm, 2009 Winter storm, and 2011 Summer storm expenses that were recorded as regulatory assets.

Total Company Storm costs -- Opex
 Company Org Acct Type

		2004	2005	2006	2007	2008	2009	2010	2011
LUTL	003230- CORE-TOTAL OPERATING EXPENSES								
	108162 MOCK STORM 4-5-00	0.00	0.00	0.00	297.32	0.00	0.00	0.00	0.00
	113458 Capital/Indirect Storm II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	114689 STORM 07-29-02	-52.12	0.00	-1.35	0.00	0.00	0.00	0.00	0.00
	115208 STORM 09-20-02	-109.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	115255 STORM 10-04-02	-107.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	115667 STORM 01-28-03	0.00	13,431.43	5,572.25	0.00	0.00	0.00	0.00	0.00
	115679 STORM 02-04-2003	0.00	4,650.55	1,808.99	0.00	0.00	0.00	0.00	0.00
	115716 STORM 02-15-03	0.00	31,547.92	8,704.42	0.00	0.00	0.00	0.00	0.00
	115877 STORM 05-01-03	0.00	11,022.67	3,036.85	0.00	0.00	0.00	0.00	0.00
	116343 STORM 07-21-03	0.00	1,802.83	1,730.79	0.00	0.00	0.00	0.00	0.00
	116678 STORM 08-02-03	713.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117042 STORM 11-12-03	755.85	6,998.17	5,080.49	0.00	0.00	0.00	0.00	0.00
	117215 STORM 01-25-04	85,405.25	4,151.95	967.16	0.00	0.00	0.00	0.00	0.00
	117312 STORM 03-05-04	53,345.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117313 STORM 03-07-04	42,552.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117547 STORM 05-19-04	51,369.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117621 STORM 05-25-04	187,557.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117634 STORM 05-27-04	871,207.39	2,353.35	0.00	0.00	0.00	0.00	0.00	0.00
	117636 STORM 05-31-04	3,004,748.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	117691 STORM 06-12-04	23,621.86	1,710.76	977.58	0.00	0.00	0.00	0.00	0.00
	118151 Storm July 5, 2004	428,681.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	118205 STORM 07-09-04	173,117.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	118234 Storm 7/13/04	8,341,872.02	56,207.99	47.46	0.00	0.00	0.00	0.00	0.00
	118264 STORM 07-22-04	150,581.40	12,541.63	5,018.78	0.00	0.00	0.00	0.00	0.00
	118280 STORM 7-30-04	217,263.51	29,288.40	9,127.58	0.00	0.00	0.00	0.00	0.00
	119008 Florida Power & Light	192.11	0.00	151.55	0.00	0.00	0.00	0.00	0.00
	119010 Progress Energy	1,252.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	119284 GULF POWER ASSISTANCE	1,082.17	0.00	37.43	0.00	0.00	0.00	0.00	0.00
	119519 Progress Energy - Jeanne	2,205.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	119598 STORM 10-12-04	17,745.56	8,602.35	2,817.50	0.00	0.00	0.00	0.00	0.00
	119632 WIND STORM 10-16-04	14,071.14	2,073.05	666.71	0.00	0.00	0.00	0.00	0.00
	119690 Wind Storm 10/30/04	53,265.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	119745 May_July Storm Settlements	4,583.57	2,546.18	0.00	0.00	0.00	0.00	0.00	0.00
	119785 STORM 11-24-04	34,585.95	443.20	0.00	0.00	0.00	0.00	0.00	0.00
	119824 STORM 12-7-04	56,064.45	27,599.03	0.00	0.00	0.00	0.00	0.00	0.00
	119867 Storm 12-23-04	49,018.64	130,243.31	0.00	0.00	0.00	0.00	0.00	0.00
	119921 01-13-05 STORM	0.00	103,612.26	0.00	33,577.80	0.00	0.00	0.00	0.00
	120187 Storm 04-22-05	0.00	184,303.51	0.00	0.00	0.00	0.00	0.00	0.00
	120245 Storm May 13, 2005	0.00	11,238.74	0.00	0.00	0.00	0.00	0.00	0.00
	120251 PSRT TRAINING LOU	0.00	2,419.20	0.00	0.00	0.00	0.00	0.00	0.00
	120260 Storm 05-19-05	0.00	158,309.89	0.00	119,436.60	0.00	0.00	0.00	0.00
	120327 Storm 06-08-05	0.00	45,720.65	6,731.04	0.00	0.00	0.00	0.00	0.00
	120700 Storm 07-01-05	0.00	58,746.27	0.00	0.00	0.00	0.00	0.00	0.00
	120844 Storm 07/22/05	0.00	174,337.92	65,529.15	0.00	0.00	0.00	0.00	0.00
	120935 Storm 08-05-05	0.00	50,578.92	7,181.73	0.00	0.00	0.00	0.00	0.00
	121073 Storm 08-13-05	0.00	68,646.96	-3,166.41	0.00	0.00	0.00	0.00	0.00
	121099 Storm 08-20-05	0.00	48,967.29	2,354.96	0.00	0.00	0.00	0.00	0.00
	121119 Storm 08-28-05	0.00	184,758.78	-1,690.29	0.00	0.00	0.00	0.00	0.00
	121124 Storm 08-30-05	0.00	286,574.68	4,172.50	0.00	0.00	0.00	0.00	0.00
	121131 LGE - Storm Bonus	0.00	33,855.06	4,804.27	0.00	0.00	0.00	0.00	0.00
	121321 Storm 11-06-05	0.00	49,042.59	6,026.17	0.00	0.00	0.00	0.00	0.00
	121328 Storm 11-15-05	0.00	116,635.82	9,485.66	0.00	0.00	0.00	0.00	0.00
	121360 Storm 11/28/2005	0.00	57,857.11	18,941.37	0.00	0.00	0.00	0.00	0.00

Total Company Storm costs -- Opex
 Company Org Acct Type

	2004	2005	2006	2007	2008	2009	2010	2011
Project	0.00	0.00	87,599.82	-232.68	0.00	0.00	0.00	0.00
121400 Storm 01-02-06	0.00	0.00	29,953.70	0.00	0.00	0.00	0.00	0.00
121486 Storm 02-16-06	0.00	0.00	506,907.03	1.97	0.00	0.00	0.00	0.00
121510 Storm 03-09-06	0.00	0.00	1,915,754.96	4.07	570.64	0.00	0.00	0.00
121539 Storm 04-02-2006	0.00	0.00	63,287.26	0.00	0.00	0.00	0.00	0.00
121547 Storm 04-07-06	0.00	0.00	34,030.08	216.00	0.00	0.00	0.00	0.00
121552 Storm 04-16-06	0.00	0.00	80,159.90	0.90	0.00	0.00	0.00	0.00
121556 Storm 04-19-06	0.00	0.00	1,055,973.82	-9,172.52	0.00	0.00	0.00	0.00
121673 Storm 05-25-06	0.00	0.00	50,198.57	0.00	0.00	0.00	0.00	0.00
121688 Storm 06-01-06	0.00	0.00	146,162.57	0.40	0.00	0.00	0.00	0.00
121890 Storm 06-19-06	0.00	0.00	77,011.34	0.08	0.00	0.00	0.00	0.00
121969 Storm 06-29-06	0.00	0.00	91,016.05	-260.10	0.00	0.00	0.00	0.00
121993 Storm 07-04-06	0.00	0.00	141,910.40	1.16	0.00	0.00	0.00	0.00
122120 Storm 07-14-06	0.00	0.00	227,236.83	1.29	0.00	0.00	0.00	0.00
122184 Storm 07-21-06	0.00	0.00	233,524.52	0.26	63,679.12	0.00	0.00	0.00
122203 Storm 08-10-06	0.00	0.00	159,393.50	-78.80	0.00	0.00	0.00	0.00
122226 Storm 08-20-06	0.00	0.00	346,888.35	-1,096.58	0.00	0.00	0.00	0.00
122431 Storm 09-22-06	0.00	0.00	196,461.22	37,430.48	0.00	0.00	0.00	0.00
122622 Storm 12-01-06	0.00	0.00	0.00	212,130.82	0.00	0.00	0.00	0.00
122785 Storm 04-03-07	0.00	0.00	0.00	74,102.97	0.00	0.00	0.00	0.00
122793 Storm 04-11-07	0.00	0.00	0.00	118,319.08	0.00	0.00	0.00	0.00
122846 Storm 05-16-07	0.00	0.00	0.00	57,090.68	0.00	0.00	0.00	0.00
122866 Storm 06-05-07	0.00	0.00	0.00	63,791.71	25,315.54	0.00	0.00	0.00
123129 Storm 07-04-2007	0.00	0.00	0.00	45,362.99	9,775.82	0.00	0.00	0.00
123148 Storm 07-17-07	0.00	0.00	0.00	326,509.23	-9,542.60	0.00	0.00	0.00
123172 Storm 07-19-07	0.00	0.00	0.00	596,559.93	0.00	0.00	0.00	0.00
123323 Storm 08-16-07	0.00	0.00	0.00	10,919.71	0.00	0.00	0.00	0.00
123487 Storm 09-27-07	0.00	0.00	0.00	198,023.61	38,813.80	0.00	0.00	0.00
123585 Storm 10-18-07	0.00	0.00	0.00	32,909.38	3,480.52	31,866.16	0.00	0.00
123708 Wind Storm 12-22-07	0.00	0.00	0.00	0.00	1,845,223.12	86.04	0.00	0.00
123756 Storm 01-29-08	0.00	0.00	0.00	0.00	973,893.28	40.42	0.00	0.00
123765 Storm 02-05-08	0.00	0.00	0.00	0.00	383,311.83	-8,860.21	0.00	0.00
123775 Storm 02-12-08	0.00	0.00	0.00	0.00	85,285.82	0.00	0.00	0.00
123783 Storm 02-17-08	0.00	0.00	0.00	0.00	238,315.10	16,714.65	0.00	0.00
123793 Storm 02-21-08	0.00	0.00	0.00	0.00	171,618.59	32,598.79	0.00	0.00
124310 Storm 05-11-08	0.00	0.00	0.00	0.00	93,696.46	22,341.48	0.00	0.00
124634 Storm 06-19-08	0.00	0.00	0.00	0.00	374,577.36	2.55	0.00	0.00
124641 Storm 06-26-08	0.00	0.00	0.00	0.00	180,622.85	-4,973.99	0.00	0.00
124744 Storm 07-08-08	0.00	0.00	0.00	0.00	1,171,914.00	0.00	0.00	0.00
125722 Storm 09-14-08	0.00	0.00	0.00	0.00	0.00	4,868,536.07	-15,397.23	52.13
STRMLGE LGE Major Storm Event	0.00	0.00	0.00	0.00	0.00	432,197.96	7,059.31	1,452.49
STRMLUOC Minor Storm Event Louisville	0.00	0.00	0.00	0.00	0.00	0.00	1,543,930.88	1,510,792.65
STRM03230 LGE Minor Storm Event	0.00	0.00	116,389.52	258,389.68	456,771.96	14,522.87	0.00	0.00
STRM323 STORMS 003230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233,581.00
LMS040911 LGE MAJOR STORM 040911	0.00	0.00	0.00	0.00	0.00	0.00	0.00	505,380.55
LMS042011 LGE MAJOR STORM 042011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	867,100.88
LMS042211 LGE MAJOR STORM 042211	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,935,487.58
LMS052311 LGE MAJOR STORM 052311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	861,310.29
LMS061911 LGE MAJOR STORM 061911	0.00	0.00	0.00	0.00	0.00	0.00	0.00	516,536.71
LMS071911 LGE MAJOR STORM 071911	0.00	0.00	0.00	0.00	0.00	0.00	0.00	382,595.38
LMS081311 LG&E MAJOR STORM 081311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,814,289.66
	13,866,592.47	1,982,820.42	5,725,973.78	2,172,237.44	6,107,323.22	5,405,074.79	1,535,592.96	6,814,289.66

Bureau of Labor Statistics

**Consumer Price Index - All Urban Consumers
Original Data Value**

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

Supplemental Exhibit 1
Reference Schedule 1.13

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Injuries and Damages FERC Account 925
For the Twelve Months Ended December 31, 2011

	Electric	Gas
1. Injury/Damage provision based upon ten year average	\$ 2,233,094	\$ 492,132
2. Injury/Damage expenses incurred during the 12 months ended December 31, 2011	2,523,088	750,642
3. Adjustment	\$ (289,994)	\$ (258,510)

Year	Electric	Gas	CPI-All Urban Consumers	Adjusted Electric	Adjusted Gas
2011	\$ 2,523,088	\$ 750,642	1.0000	\$ 2,523,088	\$ 750,642
2010	1,530,489	259,966	1.0316	1,578,852	268,181
2009	1,771,382	459,701	1.0485	1,857,294	481,996
2008	1,364,902	412,850	1.0448	1,426,050	431,346
2007	2,246,508	344,007	1.0849	2,437,237	373,213
2006	1,719,223	467,962	1.1158	1,918,309	522,152
2005	2,782,603	664,940	1.1518	3,205,002	765,878
2004	1,326,433	384,722	1.1908	1,579,516	458,127
2003	1,303,019	349,057	1.2225	1,592,941	426,722
2002	3,369,044	354,333	1.2504	4,212,653	443,058
Total				\$ 22,330,942	\$ 4,921,315
Ten Year Average				\$ 2,233,094	\$ 492,132

KU and LG&E FERC 913, 925, and 930.1 GL Totals GL Start Date : '01-JAN-11' , GL End Date : '31-DEC-11'

		Period Net		
Company	FERC	Electric	Gas	Sum
0100	913	25,095.44	8,365.15	33,460.59
	925	2,523,087.51	750,641.78	3,273,729.29
	930.1	487,584.38	195,409.76	682,994.14
LG&E	Sum	3,035,767.33	954,416.69	3,990,184.02
0110	913	33,460.59	NULL	33,460.59
	925	3,080,346.27	NULL	3,080,346.27
	930.1	795,813.82	NULL	795,813.82
KU	Sum	3,909,620.68		3,909,620.68

LOUISVILLE GAS AND ELECTRIC COMPANY

Period:<All> Company:0100

		Net Amount						Account Totals
		C. Payables	D. Labor	E1. Burden Charges	G. Accounting Entries	H. Mass Allocations	Other	
Account	Account Description							
925001	PUBLIC LIABILITY	228,837.20			984,292.03	-0.01		1,213,129.22
925002	WORKERS COMP EXPENSE - BURDENS			735,133.90	1,355,232.17	-31,292.34		2,059,073.73
925003	AUTO LIABILITY	113,670.31			-4,876.23	0.00		108,794.08
925004	SAFETY AND INDUSTRIAL HEALTH	10,541.04	54,225.16	13,317.22	52.57	0.04	8,102.39	86,238.42
925100	OTHER INJURIES AND DAMAGES	254,004.93	1,070.92	288.62	-462,498.16	0.00	168.21	-206,965.48
925902	WORKERS COMP EXPENSE - BURDENS INDIRECT					11,309.80		11,309.80
925904	SAFETY & INDUSTRIAL HEALTH - INDIRECT	2,149.50				0.02		2,149.52

TOTALS

609,202.98 55,296.08 748,739.74 1,872,202.38 -19,982.49 8,270.60 3,273,729.29

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

Supplemental Exhibit 1
Reference Schedule 1.14

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Eliminate Advertising Expenses
Pursuant to Commission Rule 807 KAR 5:016
For the Twelve Months Ended December 31, 2011**

	<u>Electric</u>	<u>Gas</u>
1. Uniform System of Accounts - Account No. 930.1 General Advertising Expenses	\$ 487,584	\$ 195,410
2. Account No. 913 Advertising Expenses	<u>25,095</u>	<u>8,365</u>
3. Total	<u>\$ 512,679</u>	<u>\$ 203,775</u>
4. Adjustment	<u>\$ (512,679)</u>	<u>\$ (203,775)</u>

Supplemental Exhibit 1
Reference Schedule 1.15

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Remove Out-of-Period Items
For the Twelve Months Ended December 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. Revenue adjustment	\$ 2,862	\$ -
2. Expense adjustment	19,610	189
	<hr/>	<hr/>
3. Net adjustment	<u>\$ (16,748)</u>	<u>\$ (189)</u>

**Louisville Gas and Electric
Out-of-Period Adjustments**

(1) GL	(2)	(3)	(4)	(5)	(5)	(6)	(7)
Period Entered	Account	Out of Period Month	Out of Period Amt.	Revenue	Expense	Journal Entry	Description
Sep-11	930207	Oct-10	(70.00)		(70.00)	J203-0100-0911	Correct/clear old bank recon items
Sep-11	930207	Aug-10	(288.89)		(288.89)	J203-0100-0911	Correct/clear old bank recon items
Sep-11	930207	Sep-10	(431.40)		(431.40)	J203-0100-0911	Correct/clear old bank recon items
Sep-11	930207	Dec-10	(155.65)		(155.65)	J204-0100-0911	Correct/clear old bank recon items
Sep-11	571100	Oct-10	6,115.08		6,115.08	J425-0100-0911	No capital additions/material - tsf chgs to O&M
Sep-11	571100	Nov-10	1,266.40		1,266.40	J425-0100-0911	No capital additions/material - tsf chgs to O&M
Oct-11	570100	Dec-10	602.61		602.61	J428-0100-1011	No capital additions/material - tsf chgs to O&M
Nov-11	592100	Dec-10	132.61		132.61	J421-0100-1111	No capital additions/material - tsf chgs to O&M
Nov-11	573100	Dec-10	132.61		132.61	J421-0100-1111	No capital additions/material - tsf chgs to O&M
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(149.30)	(149.30)		J243-0100-1011	Correct Dynege Transmission Payable
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(2,712.89)	(2,712.89)		J243-0100-1011	Correct Dynege Transmission Payable
Sep-11	501100	Nov-10	(17,672.47)		(17,672.47)	J504-0100-0911	Correct Gas Startup and Stabilization
Sep-11	501102	Nov-10	(9,430.08)		(9,430.08)	J504-0100-0911	Correct Gas Startup and Stabilization
TOTAL				(2,862.19)	(19,799.18)		
ADJUSTMENT				<u>2,862.19</u>	<u>19,799.18</u>		
ELECTRIC				(2,862.19)	(18,853.24)		
GAS				-	-		
COMMON (80/20)				-	(945.94)		
TOTAL				<u>(2,862.19)</u>	<u>(19,799.18)</u>		

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Revenues and Expenses to Eliminate
Gas Supply Cost Recoveries and Gas Supply Expenses
During the Twelve Months Ended December 31, 2011**

	<u>Gas</u>
1. Cost recoveries in revenue for the 12 months ended December 31, 2011	\$ (172,491,115)
2. Gas supply expenses for the 12 months ended December 31, 2011	<u>(163,465,524)</u>
3. Net Adjustment	<u>\$ (9,025,591)</u>

**Louisville Gas and Electric Company
Gas Supply Revenues
For the 12-months ended December 31, 2011**

	Jan-11 Jan-11 GSC Billings	Feb-11 Feb Billings at Previous Rate	Feb-11 Feb Billings at Current Rate	Feb-11 Feb-11 GSC Billings	Mar-11 Mar-11 GSC Billings	Apr-11 Apr-11 GSC Billings	May-11 May Billings at Previous Rate	May-11 May Billings at Current Rate	May-11 May-11 GSC Billings	Jun-11 Jun-11 GSC Billings	Jul-11 Jul-11 GSC Billings
Gas Supply Cost Component	\$ 5,385.8	\$ 5,385.8	\$ 5,272.0	Prorated	\$ 5,272.0	\$ 5,272.0	\$ 5,272.0	\$ 5,614.3	Prorated	\$ 5,614.3	\$ 5,614.3
Pipeline Supplier Demand Component	\$ 0.8775			\$ 0.8839	\$ 0.8839	\$ 0.8839			\$ 0.8823	\$ 0.8823	\$ 0.8823
UCDI Daily Demand Charge	\$ 0.1848			\$ 0.1847	\$ 0.1847	\$ 0.1847			\$ 0.1850	\$ 0.1850	\$ 0.1850
Gas Supply Revenue	\$ 26,198,589	\$ 12,670,843	\$ 8,067,578	\$ 20,738,421	\$ 14,538,458	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Residential Rate RGS	\$ 26,198,589	\$ 12,670,843	\$ 8,067,578	\$ 20,738,421	\$ 14,538,458	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Total Rate RGS	\$ 26,198,589	\$ 12,670,843	\$ 8,067,578	\$ 20,738,421	\$ 14,538,458	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Firm Commercial Rate CGS	\$ 12,748,485	\$ 6,096,068	\$ 3,838,895	\$ 9,934,963	\$ 7,204,425	\$ 4,612,382	\$ 1,407,273	\$ 1,191,115	\$ 2,598,388	\$ 1,908,812	\$ 1,539,171
TS Transportation Rider to Rate CGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rate CGS	\$ 12,748,485	\$ 6,096,068	\$ 3,838,895	\$ 9,934,963	\$ 7,204,425	\$ 4,612,382	\$ 1,407,273	\$ 1,191,115	\$ 2,598,388	\$ 1,908,812	\$ 1,539,171
Firm Industrial Rate IGS	\$ 826,959	\$ 313,763	\$ 304,368	\$ 618,131	\$ 554,267	\$ 369,789	\$ 109,946	\$ 154,136	\$ 264,082	\$ 301,816	\$ 192,541
TS Transportation Rider to Rate IGS	\$ 5,089			\$ 1,759	\$ 1,890	\$ 1,826			\$ 1,842	\$ 4,816	\$ 4,780
Total Rate IGS	\$ 832,048	\$ 313,763	\$ 304,368	\$ 619,890	\$ 556,157	\$ 371,615	\$ 109,946	\$ 154,136	\$ 265,924	\$ 306,632	\$ 197,322
Rate AAGS-Commercial	\$ 101,050	\$ 30,623	\$ 9,178	\$ 39,801	\$ 112,439	\$ 52,796	\$ 10,537	\$ 5,357	\$ 15,893	\$ 80,805	\$ 33,806
Rate AAGS-Commercial-TS Transportation Rider											
Rate AAGS-Industrial	\$ 166,982	\$ 39,813	\$ 76,834	\$ 116,647	\$ 102,026	\$ 90,979	\$ 34,969	\$ 84,906	\$ 119,875	\$ 95,658	\$ 64,636
Rate AAGS-Industrial-TS Transportation Rider											
Total Rate AAGS	\$ 268,032	\$ 70,436	\$ 86,012	\$ 156,448	\$ 214,465	\$ 143,775	\$ 45,506	\$ 90,263	\$ 135,769	\$ 176,463	\$ 98,442
Special Contract-LG&E Mill Creek/Cane Run	\$ 230,274			\$ 185,891	\$ 163,567	\$ 495,934			\$ 250,701	\$ 383,900	\$ 345,583
Special Contract-LG&E Paddy's Run Cashouts	\$ -			\$ -	\$ -	\$ 5,334			\$ 1,205	\$ 952	\$ 26,533
Total LG&E Special Contract	\$ 230,274			\$ 185,891	\$ 163,567	\$ 501,268	\$ -	\$ -	\$ 251,906	\$ 384,853	\$ 372,116
FT Cashouts	\$ 35,776			\$ 205	\$ 8,680	\$ 53,888			\$ 27,232	\$ 4,246	\$ 36,380
Rate FT - UCDI Daily Demand Charges	\$ 31,375			\$ 19,646	\$ 16,927	\$ 17,506			\$ 16,519	\$ 10,886	\$ 13,172
Rate FT OFO Charges	\$ 756			\$ 2,597	\$ -	\$ -			\$ -	\$ -	\$ -
Total Rate FT	\$ 67,907			\$ 22,448	\$ 25,607	\$ 71,394			\$ 43,750	\$ 15,132	\$ 49,552
Special Contracts	\$ -	\$ -	\$ -	\$ 3,100	\$ 1,907	\$ 4,275	\$ -	\$ -	\$ -	\$ -	\$ -
Off-System Sales											
Billing Adjustments	\$ 3,491			\$ 456	\$ 1,644						
Total Gas Supply Revenue	\$ 40,348,826			\$ 31,661,619	\$ 22,706,230	\$ 14,995,078			\$ 7,979,633	\$ 5,842,849	\$ 4,411,872

**Louisville Gas and Electric Company
Gas Supply Revenues
For the 12-months ended December 31, 2011**

	Aug-11 Aug Billings at Previous Rate	Aug-11 Aug Billings at Current Rate	Aug-11 GSC Billings	Sep-11 Sep-11 GSC Billings	Oct-11 Oct-11 GSC Billings	Nov-11 Nov Billings at Previous Rate	Nov-11 Nov Billings at Current Rate	Nov-11 GSC Billings	Dec-11 Dec-11 GSC Billings	12 Mos Ended December 1, 2011
Gas Supply Cost Component	\$ 5,6143	\$ 5,6050	Prorated	\$ 5,6050	\$ 5,6050	\$ 5,6050	\$ 5,1602	Prorated	\$ 5,1602	
Pipeline Supplier Demand Component			\$ 0 8783	\$ 0,8783	\$ 0,8783			\$ 0 8227	\$ 0 8227	
UCDI Daily Demand Charge			\$ 0 1846	\$ 0,1846	\$ 0,1846			\$ 0 1720	\$ 0,1720	
Gas Supply Revenue										
Residential Rate RGS	\$ 999,111	\$ 1,014,992	\$ 2,014,104	\$ 2,198,760	\$ 3,220,061	\$ 3,596,105	\$ 3,386,914	\$ 6,983,020	\$ 11,872,576	\$ 106,944,479
Total Rate RGS	\$ 999,111	\$ 1,014,992	\$ 2,014,104	\$ 2,198,760	\$ 3,220,061	\$ 3,596,105	\$ 3,386,914	\$ 6,983,020	\$ 11,872,576	\$ 106,944,479
Firm Commercial Rate CGS	\$ 779,882	\$ 689,312	\$ 1,469,194	\$ 1,727,577	\$ 2,096,444	\$ 1,705,239	\$ 1,467,969	\$ 3,173,208	\$ 5,564,136	\$ 54,577,186
TS Transportation Rider to Rate CGS			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Total Rate CGS	\$ 779,882	\$ 689,312	\$ 1,469,194	\$ 1,727,577	\$ 2,096,444	\$ 1,705,239	\$ 1,467,969	\$ 3,173,208	\$ 5,564,136	\$ 54,577,186
Firm Industrial Rate IGS	\$ 121,916	\$ 127,102	\$ 249,017	\$ 241,322	\$ 290,432	\$ 154,966	\$ 184,863	\$ 339,829	\$ 412,537	\$ 4,660,724
TS Transportation Rider to Rate IGS			\$ 3,070	\$ 3,943	\$ 4,043			\$ 5,020	\$ 2,976	\$ 41,053
Total Rate IGS	\$ 121,916	\$ 127,102	\$ 252,087	\$ 245,265	\$ 294,475	\$ 154,966	\$ 184,863	\$ 344,848	\$ 415,513	\$ 4,701,777
Rate AAGS-Commercial	\$ 15,037	\$ 26,711	\$ 41,749	\$ 49,257	\$ 49,657	\$ 205,700	\$ 33,902	\$ 239,602	\$ 117,290	\$ 934,145
Rate AAGS-Commercial-TS Transportation Rider										\$ -
Rate AAGS-Industrial	\$ 21,790	\$ 34,939	\$ 56,729	\$ 35,055	\$ 94,146	\$ 19,095	\$ 53,897	\$ 72,992	\$ 75,043	\$ 1,090,769
Rate AAGS-Industrial-TS Transportation Rider										\$ -
Total Rate AAGS	\$ 36,827	\$ 61,651	\$ 98,478	\$ 84,312	\$ 143,804	\$ 224,795	\$ 87,799	\$ 312,593	\$ 192,333	\$ 2,024,914
Special Contract-LG&E Mill Creek/Cane Run			\$ 492,186	\$ 221,897	\$ 307,610			\$ 235,227	\$ 255,148	\$ 3,567,917
Special Contract-LG&E Paddy's Run Cashouts			\$ 21,780	\$ (16,253)	\$ -			\$ 84	\$ 6,966	\$ 46,603
Total LG&E Special Contract	\$ -	\$ -	\$ 513,966	\$ 205,644	\$ 307,610	\$ -	\$ -	\$ 235,311	\$ 262,114	\$ 3,614,520
FT Cashouts			\$ 59,556	\$ 2,403	\$ 42,185			\$ 68,787	\$ 38,025	\$ 377,362
Rate FT - UCDI Daily Demand Charges			\$ 9,266	\$ 13,750	\$ 24,249			\$ 17,091	\$ 20,695	\$ 211,081
Rate FT OFO Charges			\$ -	\$ -	\$ -			\$ -	\$ -	\$ 3,353
Total Rate FT			\$ 68,822	\$ 16,153	\$ 66,434			\$ 85,877	\$ 58,720	\$ 591,796
Special Contracts	\$ -	\$ -	\$ 907	\$ -	\$ 366	\$ -	\$ -	\$ 17,138	\$ 3,157	\$ 30,852
Off-System Sales										\$ 5,591
Billing Adjustments										
Total Gas Supply Revenue			\$ 4,417,558	\$ 4,477,711	\$ 6,129,194			\$ 11,151,996	\$ 18,368,549	\$ 172,491,115

Louisville Gas and Electric Company
Gas Supply Expenses
For the 12-months ended December 31, 2011

Gas Supply Expense	Total 12 mos. ended 12/31/2011
Purchased Gas	\$ 161,475,013
Gas to Storage	(55,399,465)
Gas from Storage	59,838,142
Other Supply Expenses	34,056
Other Electric Credits	(66,949)
Total Gas Supply Expenses	165,880,798
Purchased Gas - Wholesale Sales	1,771,814
Wholesale Sales Margin	(34,607)
Acquisition and Transportation Incentive	(3,318,374)
Performance-Based Ratemaking Recovery	1,855,579
Other Gas Credits	(671,968)
Refunds	(325,178)
Gas Supply Actual Adjustment	(4,924,827)
Gas Cost Balance Adjustment	270,499
Procurement Expenses	731,890
Underground Gas Storage Losses	2,229,899
Net Gas Supply Expense	163,465,524

Source: LG&E Financial Report, page 41 -- MCF Sendout and Supply Cost
Year Ended Current Month

Louisville Gas and Electric Company
Mcf Sendout and Supply Cost
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Mcf Sendout						
Purchased Gas	2,746,051	5,706,876	32,240,929	36,938,117	32,240,929	36,938,117
Gas to Storage	(6,025)	(404,016)	(12,062,118)	(12,744,380)	(12,062,118)	(12,744,380)
Gas from Storage	1,975,679	2,251,740	12,297,566	11,623,292	12,297,566	11,623,292
Total Mcf Sendout Retail	4,715,705	7,554,600	32,476,377	35,817,029	32,476,377	35,817,029
Purchased Gas - Wholesale Sales	-	-	442,235	253,840	442,235	253,840
Total Mcf Sendout	4,715,705	7,554,600	32,918,612	36,070,869	32,918,612	36,070,869
Other Credits	(24,373)	(19,390)	(150,757)	(135,484)	(150,757)	(135,484)
Net Mcf Sendout	4,691,332	7,535,210	32,767,855	35,935,385	32,767,855	35,935,385
Gas Supply Expense (\$)						
Purchased Gas	\$ 12,848,161.25	\$ 29,210,959.94	\$ 161,475,013.44	\$ 200,008,898.47	\$ 161,475,013.44	\$ 200,008,898.47
Gas to Storage	(28,189.77)	(2,084,682.16)	(55,399,464.96)	(63,075,768.33)	(55,399,464.96)	(63,075,768.33)
Gas from Storage	9,181,770.58	11,099,501.98	59,838,142.45	56,983,855.16	59,838,142.45	56,983,855.16
Other Supply Expenses	2,688.59	3,356.22	34,055.62	33,208.38	34,055.62	33,208.38
Other Electric Credits	(5,820.11)	(15,987.34)	(66,948.89)	(93,573.25)	(66,948.89)	(93,573.25)
Total Gas Supply Expenses	21,998,610.54	38,213,148.64	165,880,797.66	193,856,620.43	165,880,797.66	193,856,620.43
Purchased Gas - Wholesale Sales	-	-	1,771,813.76	917,088.92	1,771,813.76	917,088.92
Wholesale Sales Margin	-	-	(34,606.55)	(27,230.72)	(34,606.55)	(27,230.72)
Acquisition and Transportation Incentive	(1,880,374.00)	(730,759.00)	(3,318,374.00)	(1,835,759.00)	(3,318,374.00)	(1,835,759.00)
Performance-Based Ratemaking Recovery	209,198.06	269,626.62	1,855,579.42	2,102,157.48	1,855,579.42	2,102,157.48
Other Gas Credits	(107,442.95)	(79,865.27)	(671,968.23)	(569,574.64)	(671,968.23)	(569,574.64)
Refunds	(53,578.85)	(52,097.47)	(325,178.17)	(173,289.08)	(325,178.17)	(173,289.08)
Gas Cost Actual Adjustment	620,687.60	178,261.98	(4,924,826.86)	(26,000,191.56)	(4,924,826.86)	(26,000,191.56)
Gas Cost Balance Adjustment	23,749.16	77,089.39	270,498.67	30,322.09	270,498.67	30,322.09
Procurement Expenses	123,325.66	125,665.81	731,890.00	703,464.13	731,890.00	703,464.13
Net Gas Supply Expenses	\$ 20,934,175.22	\$ 38,001,070.70	\$ 161,235,625.70	\$ 169,003,608.05	\$ 161,235,625.70	\$ 169,003,608.05
Unit Supply Costs (\$)						
Purchased Gas	\$ 4.679	\$ 5.119	\$ 5.008	\$ 5.415	\$ 5.008	\$ 5.415
Gas to Storage	4.679	5.160	4.593	4.949	4.593	4.949
Gas from Storage	4.647	4.929	4.866	4.903	4.866	4.903
Net Supply Cost	\$ 4.462	\$ 5.043	\$ 4.921	\$ 4.703	\$ 4.921	\$ 4.703
Underground Gas Storage Losses Charged to Storage Expenses	\$ 217,688.87	\$ 235,931.08	\$ 2,229,898.70	\$ 2,319,049.45	\$ 2,229,898.70	\$ 2,319,049.45

January 26, 2012

**Supplemental Exhibit 1
Reference Schedule 1.17**

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Revenues for Temperature Normalization
For the Twelve Months Ended December 31, 2011**

	<u>Gas</u>
1. Revenues	<u>\$ 408,729</u>

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months ended December 31, 2011**

SUMMARY

	MCF	Annual Revenue	Less: Revenue Billed under Weather Normalization Clause	Net Adjustment to Revenue
Residential Rate RGS - see page 3	282,254.1	\$ 632,136	\$ 548,890	\$ 83,246
Commercial Rate CGS - see page 3	190,207.7	356,107	165,180	190,927
Industrial Rate IGS - see page 2	11,121.0	21,154		21,154
Rate AAGS - see page 2	25,226.7	13,250		13,250
Rate FT - see page 2	240,201.9	103,287		103,287
Special Contracts - see page 2	6,076.1	(3,582)		(3,582)
Total	<u>755,087.5</u>	<u>\$ 1,122,352</u>	<u>\$ 714,071</u>	<u>\$ 408,281</u>

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months ended December 31, 2011**

CUSTOMERS NOT BILLED UNDER WEATHER NORMALIZATION ADJUSTMENT CLAUSE

	Actual	Normal	Normal over (under)Actual
Billing Cycle Heating Degree Days	4,016	4,130	114
Calendar Month Degree Days	3,773	4,128	355

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Total MCF Sales & Trans.	Non-Temp Sales & Trans. (Jul - Aug)	Non-Temp Sales & Trans. Full Year col 2 x 6	Temp Sensitive Sales & Trans. col 1 - col 3	Actual Degree Days	Mcf per Degree Day col 4 / col 5	Normal Degree Days	Departure From Normal col 7 - col 5	Normal Temp Adjustment col 6 x col 8	Net Revenue Per Mcf Sold col 9 x col 10	Net Revenue Adjustment col 9 x col 10
Industrial Rate IGS	863,890	78,687	472,119	391,771	4,016	98	4,130	114	11,121	1.9022	\$ 21,154
As Available Gas Service (AAGS)											
Commercial	160,450	6,021	36,128	124,321	3,773	33	4,128	355	11,697	0.5252	6,143
Industrial	212,869	11,513	69,077	143,793	3,773	38	4,128	355	13,529	0.5252	7,106
Total Rate AAGS	373,319	17,534	105,205	268,114	3,773	71			25,227		13,250
Rate FT	10,285,764	1,288,810	7,732,858	2,552,907	3,773	677	4,128	355	240,202	0.4300	103,287
Special Contracts	1,577,936	252,226	1,513,358	64,578	3,773	17	4,128	355	6,076	-0.5896	(3,582)
Total Net Temperature Normalization Adjustment for Customers Not Billed Under the WNA											<u>\$ 134,109</u>

Notes:

Non-Temperature Sensitive Sales and Transportation are based on July and August deliveries.

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months ended December 31, 2011**

CUSTOMERS BILLED UNDER WEATHER NORMALIZATION ADJUSTMENT CLAUSE

			Normal over/(under) Actual	
	Actual	Normal	WNA Months	12 Months
Billing Cycle Degree Days				
12 mos. Ended December 31, 2011	4,016	4,130		114
WNA Months - Jan-Apr11; Nov-Dec11	3,751	3,850	99	

Degree Days over Normal for 12 months as compared to WNA Period - 1.1515

	Mcf	Unit Price	Revenue
<u>Residential Rate RGS</u>			
Actual Billing Adjustments (Mcf and Revenue) under WNA - 6 mos. (see page 4)	245,115.4	\$	548,890
Degree Day Deficiency for 12 months as compared to WNA Period -	1.1515		
Calculated Adjustment (Mcf and Revenue) to Temperature Normalize for 12 months -	282,254.1	\$ 2.2396	\$ 632,136
Net Adjustment for Residential Rate RGS			\$ 83,246
 <u>Commercial Rate CGS</u>			
Actual Billing Adjustments (Mcf and Revenue) under WNA - 5 mos. (see page 4)	165,180.4	\$	165,180
Degree Day Deficiency for 12 months as compared to WNA Period -	1.1515		
Calculated Adjustment (Mcf and Revenue) to Temperature Normalize for 12 months -	190,207.7	\$ 1.8722	\$ 356,107
Net Adjustment for Residential Rate CGS			\$ 190,927
Total Net Temperature Normalization Adjustment for Customers Billed Under the WNA			\$ 274,172

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months ended December 31, 2011**

SUMMARY OF ACTUAL MONTHLY BILLINGS UNDER THE WEATHER NORMALIZATION ADJUSTMENT CLAUSE

	Jan. 2011	Feb. 2011	Mar. 2011	Apr. 2011	Nov. 2011	Dec. 2011	Total
BILLINGS:							
Rate RGS	\$ (1,516,883)	\$ (764,369)	\$ 1,081,930	\$ 620,052	\$ 186,069	\$ 942,091	\$ 548,890
Rate CGS	(598,259)	(276,050)	412,215	223,124	71,025	333,125	165,180
Total Billings	\$ (2,115,142)	\$ (1,040,419)	\$ 1,494,145	\$ 843,176	\$ 257,094	\$ 1,275,216	\$ 714,071
APPLICABLE MCF:							
Rate RGS	(677,282.9)	(341,301.6)	483,100.0	276,863.1	83,081.8	420,655.0	245,115.4
Rate CGS	(319,570.7)	(147,442.8)	220,165.0	119,171.4	37,934.7	177,915.8	88,173.4
Total Mcf	(996,853.6)	(488,744.4)	703,265.0	396,034.5	121,016.5	598,570.8	333,288.8

Note: WNA Billings are included in "Sales." However, the applicable volumes used to compute the Billings are not included

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Composite Federal and Kentucky
Income Tax Rate
(Based on Law in Effect January 1, 2012)**

1. Assume pre-tax income of		\$ 100.0000
2. State income tax at 6.00%		<u>5.8230</u>
3. Taxable income for Federal income tax before production deduction		94.1770
Production Rate	9%	
Allocation to Production Income	0.4916	
Allocated Production Rate	4.42%	
4. Less: Production tax deduction (4.42% of Line 3)		<u>4.1626</u>
5. Taxable income for Federal income tax (Line 3 - Line 4)		90.0144
6. Federal income tax at 35% (Line 5 x 35%)		<u>31.5050</u>
7. Total State and Federal income taxes (Line 2 + Line 6)		<u><u>\$ 37.3280</u></u>
8. Therefore, the composite rate is:		
9. Federal	31.5050%	
10. State	5.8230%	
11. Total	<u><u>37.3280%</u></u>	

State Income Tax Calculation

1. Assume pre-tax income of		\$ 100.0000
2. Less: Production tax deduction (6% x 0.4916) (1)		<u>2.9496</u>
3. Taxable income for State income tax		97.0504
4. State Tax Rate		<u>6.0000%</u>
5. State Income Tax		<u><u>5.8230</u></u>

Notes: (1) Pursuant to KRS 141.010(11)(c) and (13)(c), for taxable years beginning on or after January 1, 2010, the amount of domestic production activities deduction calculated at six percent (6%) as allowed in Section 199(a)(2) of the Internal Revenue Code for taxable years beginning before 2010.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Current Tax Adjustment Resulting
From "Interest Synchronization"**

	Electric	Gas
1. Adjusted Capitalization - Exhibit 2	\$ 1,935,257,310	\$ 510,209,583
2. Weighted Cost of Debt - Exhibit 2	1.70%	1.70%
3. "Interest Synchronization"	\$ 32,899,374	\$ 8,673,563
4. Interest per books (excluding other interest)	33,027,704	8,878,601
5. "Interest Synchronization" adjustment (Line 4 - 3)	\$ 128,330	\$ 205,038
6. Composite Federal and State tax rate	37.3280%	37.3280%
7. Current tax adjustment from "Interest Synchronization"	\$ 47,903	\$ 76,537

SUPPORT FOR PER BOOKS INTEREST CALCULATION

	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
Total Interest per books (a)	44,659,694		
Less: Customer Deposits Interest	1,383,635		
Less: Other Tax Deficiencies Interest	14,000		
Less: Interest on DSM Recovery	15,098		
Total Interest per books excluding other interest	<u>43,246,961</u>		
Electric and Gas Allocation Percent (b)	<u>100.000%</u>	79.470%	20.530%
Interest per books	<u>43,246,961</u>	<u>34,368,360</u>	<u>8,878,601</u>
ECR Allocation Percent (b)	3.100%		
ECR Interest per books	<u>1,340,656</u>	<u>(1,340,656)</u>	
Interest per books excluding ECR interest		<u><u>33,027,704</u></u>	<u><u>8,878,601</u></u>

(a) Financial Report page 12

(b) Supporting Schedule-Exhibit 3, Page 1, Line 21

Louisville Gas and Electric Company
Analysis of Interest Charges
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Interest on Long-Term Debt						
Loan Agreement - Pollution Control Bonds						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 17,895.82	\$ 111,979.17	\$ 1,249,666.70	\$ 1,343,749.92	\$ 1,249,666.70	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	17,222.57	33,912.71	190,871.84	391,280.96	190,871.84	391,280.96
Jefferson County 2001 Series A due 09/01/26 Var%.....	920.59	3,600.95	19,062.75	47,135.13	19,062.75	47,135.13
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,868.50	23,886.98	166,740.43	188,907.55	166,740.43	188,907.55
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,376.72	23,541.10	272,311.80	356,505.13	272,311.80	356,505.13
Trimble County 2001 Series A due 09/01/26 Var%.....	7,707.53	12,845.88	98,532.88	165,015.07	98,532.88	165,015.07
Trimble County 2001 Series A due 10/01/32 Var%.....	3,538.67	16,258.48	112,134.76	294,966.89	112,134.76	294,966.89
Trimble County 2001 Series B due 11/01/27 Var%.....	13,568.50	23,541.10	270,890.13	356,549.22	270,890.13	356,549.22
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	2,350,933.23	-	2,350,933.23	-
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	2,299,999.98	2,299,999.91	2,299,999.98	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,743,749.88	1,743,749.95	1,743,749.88	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	648,364.50	-	648,364.50	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,760,000.00	2,760,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	695,186.64	703,043.52	7,772,721.91	7,698,340.31	7,772,721.91	7,698,340.31
Loan Agreement - First Mortgage Bonds						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.66	338,541.67	4,062,499.99	507,812.51	4,062,499.99	507,812.51
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	1,217,187.50	14,606,250.00	1,825,781.25	14,606,250.00	1,825,781.25
Fidelia/PPL.....	-	-	-	23,320,575.03	-	23,320,575.03
Revolving Credit Agreement.....	-	318,393.33	185,005.01	594,678.34	185,005.01	594,678.34
Total.....	3,156,393.86	3,393,711.56	38,809,735.79	43,895,047.17	38,809,735.79	43,895,047.17
Amortization of Debt Expense - Net						
Amortization of Debt/Discount Expense.....	159,869.70	170,036.09	2,098,126.45	453,375.01	2,098,126.45	453,375.01
Amortization of Loss on Reacquired Debt.....	102,314.11	101,002.98	1,213,346.78	1,211,250.73	1,213,346.78	1,211,250.73
Total.....	262,183.81	271,039.07	3,311,473.23	1,664,625.74	3,311,473.23	1,664,625.74
Other Interest Charges						
Customers' Deposits.....	115,726.44	112,067.13	1,383,634.99	1,388,906.46	1,383,634.99	1,388,906.46
Other Tax Deficiencies.....	-	-	14,000.00	(17,500.00)	14,000.00	(17,500.00)
Interest on DSM Cost Recovery.....	1,214.55	1,263.02	15,097.52	26,415.24	15,097.52	26,415.24
Interest on Debt to Associated Companies.....	201.37	648.33	9,663.09	262,421.88	9,663.09	262,421.88
Other Interest Expense.....	55,282.18	160,471.71	1,116,089.00	942,770.17	1,116,089.00	942,770.17
Total.....	172,424.54	274,450.19	2,538,484.60	2,603,013.75	2,538,484.60	2,603,013.75
Total Interest.....	\$ 3,591,002.21	\$ 3,939,200.82	\$ 44,659,693.62	\$ 48,162,686.66	\$ 44,659,693.62	\$ 48,162,686.66

January 26, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Prior Period Income Tax True-Ups and Adjustments
For the Twelve Months Ended Decrmbler 31, 2011

	<u>Electric</u>	<u>Gas</u>
1. Prior Year Income Tax True-up:		
2. Federal Tax expense (benefit)	\$ (7,250,784)	\$ 8,292,380
3. State Tax expense (benefit)	<u>(1,808,023)</u>	<u>1,576,729</u>
4. Total Income Tax True-up	\$ (9,058,807)	\$ 9,869,109
5. Other Tax adjustments:		
6. Kentucky Coal Credit	<u>\$ (344,370)</u>	<u>\$ -</u>
7. Total Other Tax adjustments:	\$ (344,370)	\$ -
8. Federal benefit for State Tax adjustments	<u>\$ 753,338</u>	<u>\$ (551,855)</u>
9. Total adjustments (Line 4 + Line 7 + Line 8)	<u>\$ (8,649,839)</u>	<u>\$ 9,317,254</u>
10. Total Adjustment	<u>\$ 8,649,839</u>	<u>\$ (9,317,254)</u>

Louisville Gas and Electric Company

	12ME 12/31/2011	12ME 12/31/2011	12ME 12/31/2011	12ME 12/31/2011
Development of Income Taxes	FEDERAL Electric	STATE Electric	FEDERAL Gas	STATE Gas
Operating Income Before Tax				
Operating Income	143,003,357	143,003,357	24,763,244	24,763,244
Add Back: Income Taxes	46,856,558	46,856,558	24,801,495	24,801,495
SUBTOTAL	189,859,915	189,859,915	49,564,739	49,564,739
Interest expense	(35,225,878)	(35,225,878)	(9,433,815)	(9,433,815)
Customer deposits	1,091,707	1,091,707	291,928	291,928
Other interest expense taxed below the line	11,912	11,912	17,186	17,186
State income tax	(6,333,816)		(3,943,391)	
Fuel Credit	-	-	-	-
Sec. 199 Manufacturing Deduction	(2,299,901)	(3,888,462)	-	-
Meals	76,884	76,884	18,035	18,035
OPERATING TAXABLE INCOME	147,180,823	151,926,078	36,514,682	40,458,073
	51,513,288	9,115,565	12,780,139	2,427,484
Adjustments:				
Tax return true-up	1,573,963 (1)	(15,329) (2)	(8,481) (3)	(412) (4)
TC2 Basis Adjustment	214,713	36,808	-	-
203(E) Excess deferred taxes - prior year	(8,824,747) (1)	(1,792,694) (2)	8,300,861 (3)	1,577,141 (4)
203(E) Excess deferred taxes	(863,820)	(666,164)	(79,096)	(60,822)
Credits	(420,245)	-	-	-
Coal Credit	-	(344,370)	-	-
Total Operating Income Tax	43,193,152	6,333,816	20,993,423	3,943,391
General Ledger	43,193,153	6,333,816	20,993,423	3,943,392
Difference	(1)	(0)	(0)	(1)

$$\textcircled{1} = (7,250,784)$$

$$\textcircled{2} = (1,808,023)$$

$$\textcircled{3} = 8,292,380$$

$$\textcircled{4} = 1,576,729$$

Supplemental Exhibit 1
Reference Schedule 1.21

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Revenue Gross Up Factor
(Based on Law in Effect January 1, 2012)

	STATE	FEDERAL
1. Assume pre-tax income of	\$ 100.000000	\$ 100.000000
2. Bad Debt at .4200%	0.420000	0.420000
3. PSC Assessment at .1529%	0.152900	0.152900
4. Production Tax Credit-State (Reference Schedule 1.18)	2.949600	
5. Taxable income for State income tax	96.477500	99.427100
6. State income tax at 6.00%	5.788650	5.788650
7. Production Tax Credit-Federal (Reference Schedule 1.18)		4.162622
8. Taxable income for Federal income tax		89.475828
9. Federal income tax at 35%		31.316540
10. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 9)		37.678090
11. Assume pre-tax income of		\$ 100.000000
12. Gross Up Revenue Factor		62.321910

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at December 31, 2011

	Per Books 12-31-11 (1)	Capital Structure (2)	Rate Base Percentage (Exhibit 3 Line 20) (3)	Capitalization (Col 1 x Col 3) (4)	Adjustments to Capitalization (Col 8, Pg 2) (5)	Adjusted Capitalization (Col 4 + Col 5) (6)	Adjusted Capital Structure (7)	Annual Cost Rate (8)		Cost of Capital (Col 8 x Col 7) (9)
ELECTRIC										
1. Short Term Debt	\$ -	0.00%	79.47%	\$ -	\$ -	\$ -	0.00%	0.45%	(a)	0.00%
2. Long Term Debt	1,105,635,542	44.54%	79.47%	878,648,565	(16,733,877)	861,914,688	44.54%	3.81%	(a)	1.70%
3. Common Equity	1,376,845,592	55.46%	79.47%	1,094,179,192	(20,836,570)	1,073,342,622	55.46%	10.75%	(b)	5.96%
4. Total Capitalization	<u>\$ 2,482,481,134</u>	<u>100.00%</u>		<u>\$ 1,972,827,757</u>	<u>\$ (37,570,447)</u>	<u>\$ 1,935,257,310</u>	<u>100.00%</u>			<u>7.66%</u>
GAS										
1. Short Term Debt	\$ -	0.00%	20.53%	\$ -	\$ -	\$ -	0.00%	0.45%	(a)	0.00%
2. Long Term Debt	1,105,635,542	44.54%	20.53%	226,986,977	247,734	227,234,711	44.54%	3.81%	(a)	1.70%
3. Common Equity	1,376,845,592	55.46%	20.53%	282,666,400	308,472	282,974,872	55.46%	10.75%	(b)	5.96%
4. Total Capitalization	<u>\$ 2,482,481,134</u>	<u>100.00%</u>		<u>\$ 509,653,377</u>	<u>\$ 556,206</u>	<u>\$ 510,209,583</u>	<u>100.00%</u>			<u>7.66%</u>

(a) Embedded cost as of December 31, 2011
(b) Threshold Rate of Return on Common Equity (Section 2.3)

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at December 31, 2011

	Capitalization (Col 6, Pg 1) (1)	Capital Structure (2)	Trimble County Inventories (c) (Col 2 x Col 3 Line 4) (3)	Investments in OVEC and Other (Col 2 x Col 4 Line 4) (4)	JDIC (Col 2 x Col 5 Line 4) (5)	Environmental Compliance Plans (d) (Col 2 x Col 6 Line 4) (6)	Advanced Coal Investment Tax Credit (Col 2 x Col 7 Line 4) (7)	Total Adjustments To Capital (8)
<u>ELECTRIC</u>								
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Long Term Debt	878,648,565	44.54%	(1,551,533)	(269,986)	8,474,227	(33,691,597)	10,305,012	(16,733,877)
3. Common Equity	1,094,179,192	55.46%	(1,931,927)	(336,179)	10,551,877	(41,951,863)	12,831,522	(20,836,570)
4. Total Capitalization	<u>\$ 1,972,827,757</u>	<u>100.00%</u>	<u>\$ (3,483,459)</u>	<u>\$ (606,165)</u>	<u>\$ 19,026,104</u>	<u>\$ (75,643,460)</u>	<u>\$ 23,136,534</u>	<u>\$ (37,570,447)</u>

<u>GAS</u>								
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Long Term Debt	226,986,977	44.54%	-	-	247,734	-	-	247,734
3. Common Equity	282,666,400	55.46%	-	-	308,472	-	-	308,472
4. Total Capitalization	<u>\$ 509,653,377</u>	<u>100.00%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,206</u>

(c) Trimble County 1 Inventories @ December 31, 2011		(d) Environmental Compliance Plans: Supporting Schedule-Exhibit 3, Line 20, Column 3	
Stores	\$ 5,413,853		\$ 75,643,460
Stores Expense	1,016,325		
Coal	7,002,879		
Limestone	282,358		
Fuel Oil	217,827		
Emission Allowances	595		
Total Trimble County Inventories	<u>\$ 13,933,838</u>		
Multiplied by Disallowed Portion	25.00%		
Trimble County Inv. Disallowed	<u>\$ 3,483,459</u>		

Louisville Gas and Electric Company
Comparative Balance Sheets as of December 31, 2011 and 2010

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,897,295,931.52	\$ 4,748,839,654.01	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization.....	<u>2,117,873,452.51</u>	<u>2,043,099,789.34</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,779,422,479.01</u>	<u>2,705,739,864.67</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
Investments			Retained Earnings.....	<u>868,929,557.39</u>	<u>827,993,251.96</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,376,845,591.84</u>	<u>1,335,909,286.41</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>28,846,730.20</u>	<u>18,763,173.33</u>	First Mortgage Bonds.....	531,331,542.44	531,051,682.50
Total.....	<u>29,452,895.40</u>	<u>19,369,338.53</u>	LT Notes Payable to Associated Companies.....	-	-
			Total Long-Term Debt.....	<u>1,105,635,542.44</u>	<u>942,155,682.50</u>
Current and Accrued Assets			Total Capitalization.....	<u>2,482,481,134.28</u>	<u>2,278,064,968.91</u>
Cash.....	24,920,484.53	2,025,606.25	Current and Accrued Liabilities		
Special Deposits.....	12,277.00	3,511,014.88	ST Notes Payable to Associated Companies.....	-	11,876,000.00
Temporary Cash Investments.....	33,063.99	100,405.59	Notes Payable.....	-	163,000,000.00
Accounts Receivable - Less Reserve.....	137,419,594.66	163,630,222.30	Accounts Payable.....	97,848,807.56	104,974,357.13
Accounts Receivable from Associated Companies.....	10,916,898.01	29,799,791.23	Accounts Payable to Associated Companies.....	25,528,425.55	19,944,791.03
Materials and Supplies - At Average Cost.....			Customer Deposits.....	22,361,041.85	23,237,608.55
Fuel.....	52,502,546.26	68,043,290.05	Taxes Accrued.....	13,284,849.56	9,598,152.76
Plant Materials and Operating Supplies.....	30,625,941.68	29,326,915.51	Interest Accrued.....	5,825,755.42	5,235,853.08
Stores Expense.....	5,596,505.54	4,943,153.44	Miscellaneous Current and Accrued Liabilities.....	<u>22,176,210.30</u>	<u>24,850,419.60</u>
Gas Stored Underground.....	53,287,604.59	59,956,180.78	Total.....	<u>187,025,090.24</u>	<u>362,717,182.15</u>
Emission Allowances.....	2,511.67	2,728.96			
Prepayments.....	5,472,353.44	6,832,694.11	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	-	137,908.13	Accumulated Deferred Income Taxes.....	499,655,847.56	458,393,362.16
Total.....	<u>320,789,781.37</u>	<u>368,309,911.23</u>	Investment Tax Credit.....	42,718,844.13	45,524,576.13
			Regulatory Liabilities.....	58,617,596.40	51,426,348.46
Deferred Debits and Other			Customer Advances for Construction.....	7,307,168.56	8,580,930.08
Unamortized Debt Expense.....	13,326,195.59	13,116,651.27	Asset Retirement Obligations.....	58,606,350.25	52,650,788.91
Unamortized Loss on Bonds.....	20,963,862.78	21,934,649.45	Other Deferred Credits.....	5,120,367.14	5,677,069.75
Accumulated Deferred Income Taxes.....	23,826,072.01	38,744,526.28	Miscellaneous Long-Term Liabilities.....	60,707,001.86	35,751,188.04
Deferred Regulatory Assets.....	397,110,901.24	344,036,363.17	Accum Provision for Postretirement Benefits.....	<u>184,133,495.20</u>	<u>213,591,950.50</u>
Other Deferred Debits.....	<u>1,480,708.22</u>	<u>1,127,060.49</u>	Total.....	<u>916,866,671.10</u>	<u>871,596,214.03</u>
Total.....	<u>456,707,739.84</u>	<u>418,959,250.66</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,512,378,365.09</u>
Total Assets.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,512,378,365.09</u>			

January 26, 2012

Louisville Gas and Electric Company
Summary Trial Balance
December 31, 2011

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 499,655,847.56
Federal		
Electric.....	350,820,895.44	
Gas.....	81,862,099.14	
State		
Electric.....	54,295,012.50	
Gas.....	12,677,840.48	
Investment Tax Credit.....		42,718,844.13
Advanced Coal Credit.....	23,136,534.00	
Job Development Credit		
Electric.....	19,026,103.98 ✓	
Gas.....	556,206.15 ✓	
Regulatory Liabilities.....		58,617,596.40
Deferred Taxes		
Federal		
Electric.....	27,503,680.54	
Gas.....	1,082,516.16	
State		
Electric.....	15,083,739.54	
Gas.....	2,461,807.12	
Gas Supply Clause/PBR.....	5,039,984.33	
DSM Cost Recovery.....	3,683,375.48	
Asset Retirement Obligations		
Gas.....	2,149,408.34	
Electric.....	188,608.63	
MISO Schedule 10 Charges.....	626,757.60	
Purchased Gas Adjustment - Tennessee Gas.....	478,531.66	
Environmental Cost Recovery.....	319,187.00	
Customers' Advances for Construction.....		7,307,168.56
Line Extensions		
Gas.....	6,358,367.69	
Electric.....	936,200.87	
Other.....	12,600.00	
Asset Retirement Obligations.....		58,606,350.25
Electric.....	36,829,095.09	
Gas.....	21,669,162.12	
Common.....	108,093.04	
Other Deferred Credits.....	5,120,367.14	5,120,367.14
Miscellaneous Long-Term Liabilities.....		60,707,001.86
Long-Term Derivative Liabilities - ASC 815.....	55,015,708.82	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		184,133,495.20
Postretirement Benefits - ASC 715.....	87,027,508.70	
Pension Payable.....	93,620,496.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(204,315.00)	
Total Liabilities and Stockholders' Equity.....	\$ 3,586,372,895.62	\$ 3,586,372,895.62

January 26, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT
December 31, 2011

LONG-TERM DEBT										
	Due	Rate	Principal	Interest/(Income)	Annualized Cost			Letter of Credit and other fees	Total	Embedded Cost
					Amortized Debt Issuance Exp/Discount	Amortized Loss- Reacquired Debt				
Pollution Control Bonds -										
Jefferson Co 2000 Series A	05/01/27	0.859% *	\$ 25,000,000	4	\$ 214,750	\$ -	\$ 133,614	\$ -	\$ 348,364	1.39%
Trimble Co 2000 Series A	08/01/30	0.240% *	83,335,000		200,004	38,707	143,700	305,898 d	686,309	0.83%
Jefferson Co 2001 Series A	09/01/27	0.060% *	10,104,000		6,062	20,393	-	35,546 d	62,001	0.61%
Jefferson Co 2001 Series A	09/01/26	0.300% *	22,500,000		67,500	9,924	77,424	22,500 b	177,348	0.79%
Trimble Co 2001 Series A	08/01/26	0.330% *	27,500,000		90,750	10,790	65,400	27,500 b	194,440	0.71%
Jefferson Co 2001 Series B	11/01/27	0.450% *	35,000,000		157,500	10,995	49,056	35,000 b	252,551	0.72%
Trimble Co 2001 Series B	11/01/27	0.450% *	35,000,000		157,500	10,997	48,864	35,000 b	252,361	0.72%
Trimble Co 2002 Series A	10/01/32	0.100% *	41,665,000		41,665	37,221	55,812	176,268 d	310,866	0.75%
Louisville Metro 2003 Series A	10/01/33	1.900%	128,000,000	3	2,432,000	19,887	313,727	- a	2,765,614	2.16%
Louisville Metro 2005 Series A	02/01/35	5.750%	40,000,000	4	2,300,000	-	96,444	-	2,396,444	5.99%
Trimble Co 2007 Series A	06/01/33	4.600%	60,000,000		2,760,000	47,534	6,615	18,270 a	2,832,419	4.72%
Louisville Metro 2007 Series A	06/01/33	5.625%	31,000,000	4	1,743,750	-	41,718	-	1,785,468	5.76%
Louisville Metro 2007 Series B Called Bonds	06/01/33	1.900%	35,200,000	3	668,800	7,756	27,526	- a	704,082	2.00%
First Mortgage Bonds -										
2010 due 2015	11/15/15	1.625%	250,000,000		4,062,500	522,243 **	-	-	4,584,743	1.83%
Debt discount on FMB	11/15/15	1.625%	(683,938)		-	176,500 **	-	-	176,500	-25.81%
2010 due 2020	11/15/40	5.125%	285,000,000		14,606,250	119,249 **	-	-	14,725,499	5.17%
Debt discount on FMB	11/15/40	5.125%	(2,984,520)		-	103,360 **	-	-	103,360	-3.46%
Revolving Credit Facility	10/19/16					782,880 6&7		500,000	1,282,880	
Total External Debt			\$ 1,105,635,542		\$ 29,509,031	\$ 1,918,436	\$ 1,227,768	\$ 1,155,982	\$ 33,811,217	3.00%
Interest Rate Swaps										
JP Morgan Chase Bank	11/01/20				\$ 4,782,637	\$ -	\$ -	\$ -	\$ 4,782,637	
Morgan Stanley Capital Services	10/01/33				1,183,576	-	-	-	1,183,576	
Morgan Stanley Capital Services	10/01/33				1,179,480	-	-	-	1,179,480	
Bank of America	10/01/33				1,196,547	-	-	-	1,196,547	
Interest Rate Swaps External Debt					\$ 8,342,240	\$ -	\$ -	\$ -	\$ 8,342,240	0.76%
Notes Payable to PPL			\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	
Total Internal Debt			\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total			\$ 1,105,635,542		\$ 37,851,271	\$ 1,918,436	\$ 1,227,768	\$ 1,155,982	\$ 42,153,457	3.81%

SHORT-TERM DEBT										
	Maturity	Rate	Principal	Interest	Expense	Annualized Cost			Embedded Cost	
						Loss	Premium	Total		
Notes Payable to Associated Company	NA	0.450% *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Revolving Credit Facility Payable										0.00%
Total			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Embedded Cost of Total Debt **\$ 1,105,635,542** **\$ 37,851,271** **\$ 1,918,436** **\$ 1,227,768** **\$ 1,155,982** **\$ 42,153,457** **3.81%**

* Composite rate at end of current month
** Debt discount shown on separate line

1 Additional interest due to Swap Agreements

Underlying Debt Being Hedged	Notional Amount	Expiration of Swap Agreement	Fixed LG&E Swap Position	Fixed LG&E Swap Position	Variable Counterparty Swap Position
Series Z - PCB	83,335,000	11/01/20	5.495%	5.495%	BNA Index
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.657%	3.657%	68% of 1 mo LIBOR
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.645%	3.645%	68% of 1 mo LIBOR
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.695%	3.695%	68% of 1 mo LIBOR
	179,335,000				

- 2 Call premium and debt expense is being amortized over the remaining life of bonds due 6/1/15, 7/1/13 and 8/1/17
- 3 Reacquired bonds were reissued 1/13/11
- 4 Remarketed bonds, issued at long term fixed rate
- 5 Fidelity Notes Payable were paid off on 11/1/2010 with PPL Notes Payable that were paid off with the new FMB issues on 11/16/2010
- 6 Included setup fees for the Wachovia Credit Facility in Long-Term Debt due to 4 year credit arrangement
- 7 Credit Facility amended effective October 19, 2011 New term of 5 years at lower interest rate

- a - Insurance premiums annualized - based on actual invoices
- b - Remarketing fee = 10 basis points
- c - Remarketing fee = 25 basis points
- d - Combination of a and c

LOUISVILLE GAS AND ELECTRIC COMPANY

Net Original Cost Rate Base
At December 31, 2011

Title of Account (1)	Electric (2)	Gas (3)	Total (4)
1. Utility Plant at Original Cost (a)	\$ 4,054,317,295	\$ 842,978,637	\$ 4,897,295,932
2. Deduct:			
3. Reserve for Depreciation (a)	1,852,956,074	264,917,379	2,117,873,453
4. Net Utility Plant	<u>2,201,361,221</u>	<u>578,061,258</u>	<u>2,779,422,479</u>
5. Deduct:			
6. Customer Advances for Construction	948,801	6,358,368	7,307,169
7. Accumulated Deferred Income Taxes (a)	382,797,742	92,826,938	475,624,680
8. FAS 109 Deferred Income Taxes	27,857,286	3,544,323	31,401,609
9. Asset Retirement Obligation-Net Assets	27,475,842	20,463,948	47,939,790
10. Asset Retirement Obligation-Regulatory Liabilities	188,609	2,149,408	2,338,017
11. Total Deductions	<u>439,268,280</u>	<u>125,342,985</u>	<u>564,611,265</u>
12. Add:			
13. Materials and Supplies (b)(d)(e)	91,786,729	54,131	91,840,860
14. Gas Stored Underground (b)	-	39,569,035	39,569,035
15. Prepayments (b)(c)	4,690,348	638,230	5,328,578
16. Cash Working Capital (page 2)	81,094,226	8,106,377	89,200,603
17. Mill Creek Ash Dredging-Regulatory Asset	-	-	0
18. Total Additions	<u>177,571,303</u>	<u>48,367,773</u>	<u>225,939,076</u>
19. Total Net Original Cost Rate Base	<u>\$ 1,939,664,244</u>	<u>\$ 501,086,046</u>	<u>\$ 2,440,750,290</u>
20. Percentage of Rate Base to Total Company Rate Base	<u>79.47%</u>	<u>20.53%</u>	<u>100.00%</u>

(a) Common utility plant and the reserve for depreciation are allocated 71% to the Electric Department and 29% 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

At December 31, 2011

Title of Account (1)	Electric (2)	Gas (3)	Total (4)
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 723,648,351	\$ 226,086,638	\$ 949,734,989
2 Deduct:			
3 Electric Power Purchased	74,894,547		74,894,547
4 Gas Supply Expenses		161,235,626	161,235,626
5 Total Deductions	\$ 74,894,547	\$ 161,235,626	\$ 236,130,173
6 Remainder (Line 1 - Line 5)	<u>\$ 648,753,804</u>	<u>\$ 64,851,012</u>	<u>\$ 713,604,816</u>
7 Cash Working Capital (12 1/2% of Line 6)	<u>\$ 81,094,226</u>	<u>\$ 8,106,377</u>	<u>\$ 89,200,603</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Net Original Cost Rate Base as of December 31, 2011

Title of Account (1)	Total Electric (2)	Total ECR (3)	Non-ECR Electric (4) (2 - 3)	Gas (5)	Total Company (6) (3 + 4 + 5)
1. Utility Plant at Original Cost (a)	\$ 4,054,317,295	\$ 82,895,203	\$ 3,971,422,092	\$ 842,978,637	\$ 4,897,295,932
2. Deduct:					
3. Reserve for Depreciation (a)	1,852,956,074	4,115,932	1,848,840,142	264,917,379	2,117,873,453
4. Net Utility Plant	2,201,361,221	78,779,271	2,122,581,950	578,061,258	2,779,422,479
5. Deduct:					
6. Customer Advances for Construction	948,801	-	948,801	6,358,368	7,307,169
7. Accumulated Deferred Income Taxes (a)	382,797,742	3,353,082	379,444,660	92,826,938	475,624,680
8. FAS 109 Deferred Income Taxes	27,857,286	-	27,857,286	3,544,323	31,401,609
9. Asset Retirement Obligation-Net Assets	27,475,842	-	27,475,842	20,463,948	47,939,790
10. Asset Retirement Obligation-Regulatory Liabilities	188,609	-	188,609	2,149,408	2,338,017
11. Total Deductions	439,268,280	3,353,082	435,915,198	125,342,985	564,611,265
12. Net Plant Deductions	1,762,092,941	75,426,189	1,686,666,752	452,718,273	2,214,811,214
13. Add:					
14. Materials and Supplies (b)(d)(e)	91,786,729	865	91,785,864	54,131	91,840,860
15. Gas Stored Underground (b)	-	-	-	39,569,035	39,569,035
16. Prepayments (b)(c)	4,690,348	-	4,690,348	638,230	5,328,578
17. Cash Working Capital (page 2)	81,094,226	216,406	80,877,820	8,106,377	89,200,603
18. Mill Creek Ash Dredging-Regulatory Asset	-	-	-	-	0
19. Total Additions	177,571,303	217,271	177,354,032	48,367,773	225,939,076
20. Total Net Original Cost Rate Base	\$ 1,939,664,244	\$ 75,643,460	\$ 1,864,020,784	\$ 501,086,046	\$ 2,440,750,290
21. Percentage of Rate Base to Total Company Rate Base	79.47%	3.10%	76.37%	20.53%	100.00%

(a) Common utility plant and the reserve for depreciation are allocated 71% to the Electric Department and 29% 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 December 31, 2011**

Title of Account (1)	Total Electric (2)	Total ECR		Gas (5)	Total Company (6)
		December 31, 2011 (3)	Base Electric (4)		
			(2 - 3)		(3 + 4 + 5)
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 723,648,351	\$ 1,731,249	\$ 721,917,102	\$ 226,086,638	\$ 949,734,989
2. Deduct					
3. Electric Power Purchased	74,894,547	-	74,894,547		74,894,547
4. Gas Supply Expenses				161,235,626	161,235,626
5. Total Deductions	\$ 74,894,547	\$ -	\$ 74,894,547	\$ 161,235,626	\$ 236,130,173
6. Remainder (Line 1 - Line 5)	\$ 648,753,804	\$ 1,731,249	\$ 647,022,555	\$ 64,851,012	\$ 713,604,816
7. Cash Working Capital (12 1/2% of Line 6)	\$ 81,094,226	\$ 216,406	\$ 80,877,819	\$ 8,106,377	\$ 89,200,603

INCLUDING ECR RATE BASE - (PLANT, DEPRECIATION, DEFERRED TAXES)

LOUISVILLE GAS AND ELECTRIC COMPANY

Net Cost Base

For 12 Months Ended December 31, 2011

	<u>Electric</u>	<u>Gas</u>	<u>Combined</u>
NET COST BASE -			
Utility Plant at Original Cost (1)	4,054,317,295	842,978,637	4,897,295,932
Less: Reserve for Depreciation (1)	1,852,956,074	264,917,379	2,117,873,453
Environmental Cost Recovery Rate Base (ECR) (2)	0	0	0
Customer Advances for Construction (5)	948,801	6,358,368	7,307,169
Deferred Income Taxes (5)	382,797,742	92,826,938	475,624,680
Deferred Taxes - FAS 109	27,857,286	3,544,323	31,401,609
	<hr/>	<hr/>	<hr/>
TOTAL UTILITY PLANT LESS DEPR. RESERVE, ETC.	1,789,757,392	475,331,629	2,265,089,021
Materials and Supplies (2)(4)	91,786,729	54,131	91,840,860
Gas Stored Underground (2)	0	39,569,035	39,569,035
Prepayments (2)(3)	4,690,348	638,230	5,328,578
Cash Working Capital	81,094,226	8,106,376	89,200,602
Mill Creek Ash Dredging-Regulatory Asset	0	0	0
	<hr/>	<hr/>	<hr/>
TOTAL NET COST BASE	<u>1,967,328,695</u>	<u>523,699,401</u>	<u>2,491,028,096</u>

Notes:

- (1) Common utility plant and reserve allocated 71% Electric; 29% Gas.
- (2) Average for 13 Months ended current month.
- (3) Excludes PSC Fees
- (4) Excludes 25% of Trimble County Inventories.
- (5) Common portion allocated on utility plant and reserve basis 71% Electric; 29% Gas

LOUISVILLE GAS AND ELECTRIC COMPANY
CASH WORKING CAPITAL - 12 MONTHS ENDED December 31, 2011

	<u>Electric</u>	<u>Gas</u>	<u>Combined</u>
Total Operating Expenses	<u>723,648,351</u>	<u>226,086,638</u>	<u>949,734,989</u>
Deduct:			
Electric Power Purchased	74,894,547	-	74,894,547
Gas Supply Expenses	-	<u>161,235,626</u>	<u>161,235,626</u>
Total Deductions	<u>74,894,547</u>	<u>161,235,626</u>	<u>236,130,173</u>
Remainder	<u>648,753,804</u>	<u>64,851,012</u>	<u>713,604,816</u>
Cash Working Capital (12 1/2% of above)	<u>81,094,226</u>	<u>8,106,376</u>	<u>89,200,602</u>

Account Balance for LG&E

Period Name DEC-2011

Account	Account	Company	Balance SUM	
			0100.	Sum
			28,285,822.89	28,285,822.89
101107	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		533,396.11	533,396.11
101125	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		21,040,462.23	21,040,462.23
101207	PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-EQUIPMENT		33,839.35	33,839.35
101225	PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING		101,389.77	101,389.77
101325	PLANT IN SERVICE - COMMON ARO ASSET RETIREMENT COST-LAND/BUILDING		-1,405,083.15	-1,405,083.15
108107	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		-8,573.89	-8,573.89
108125	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		-638,420.32	-638,420.32
108207	ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-EQUIPMENT		-639.29	-639.29
108225	ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING		-2,403.59	-2,403.59
108325	ACCUM. DEPR. - COMMON ARO ASSET RETIREMENT COST-LAND/BUILDING		1,749,888.89	1,749,888.89
108799	RWIP-ARO LEGAL		9,382,874.91	9,382,874.91
182317	OTHER REGULATORY ASSETS ARO - GENERATION		1,804.76	1,804.76
182318	OTHER REG ASSETS ARO - TRANSMISSION		38,853.46	38,853.46
182325	OTHER REGULATORY ASSETS ARO - DISTRIBUTION		1,233,920.15	1,233,920.15
182326	OTHER REGULATORY ASSETS ARO - GAS		9,106.86	9,106.86
182327	OTHER REGULATORY ASSETS ARO - COMMON		-35,116,397.44	-35,116,397.44
230012	ASSET RETIREMENT OBLIGATIONS - STEAM		-253,364.08	-253,364.08
230013	ASSET RETIREMENT OBLIGATIONS - TRANSMISSION		-658,353.57	-658,353.57
230015	ASSET RETIREMENT OBLIGATIONS - DISTRIBUTION		-20,115,281.12	-20,115,281.12
230016	ASSET RETIREMENT OBLIGATIONS - GAS		-108,093.04	-108,093.04
230017	ASSET RETIREMENT OBLIGATIONS - COMMON		-800,980.00	-800,980.00
230022	ASSET RETIREMENT OBLIGATIONS - STEAM - ST		-1,553,881.00	-1,553,881.00
230026	ASSET RETIREMENT OBLIGATIONS - GAS - ST		-188,608.63	-188,608.63
254014	REGULATORY LIABILITY ARO - GENERATION		0.00	0.00
254015	REGULATORY LIABILITY ARO - TRANSMISSION		-2,149,408.34	-2,149,408.34
254016	REGULATORY LIABILITY ARO - GAS		-588,128.08	-588,128.08
	Sum			

*Rate Base
Common:
7/29 Electric/GAS*

Rate Base

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant.	\$	74,459,569	\$	-
Eligible Pollution CWIP Excluding AFUDC		7,351,685		1,083,949
Subtotal		\$ 81,811,254		\$ 1,083,949
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		865		
Cash Working Capital Allowance		209,839		6,568
Subtotal		210,704		6,568
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant		4,115,932		-
Pollution Control Deferred Income Taxes		3,353,082		-
Subtotal		7,469,014		-
Environmental Compliance Rate Base	\$	74,552,944	\$	1,090,517

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,472	\$ 52,540
Monthly Depreciation & Amortization Expense	221,904	-
less investment tax credit amortization	(14,527)	-
Monthly Taxes Other Than Income Taxes	8,899	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	28,072	-
Monthly Surcharge Consulting Fees	-	14,418
Construction Monitoring Consultant Fee	-	-
Total Pollution Control Operations Expense	\$ 374,820	\$ 66,958

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Excess Return Amount at December 31, 2011

	ELECTRIC (1)
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	9.07%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	-1.68%
4. Actual ROE is less than 10.75%. There is no excess return amount.	

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Excess Return Amount at December 31, 2011

	GAS (1)
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	8.56%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	-2.19%
4. Actual ROE is less than 10.75%. There is no excess return amount.	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Electric Rate of Return on Common Equity
For the Twelve Months Ended December 31, 2011**

	Adjusted Electric Capitalization <small>(Exhibit 2 Col 8)</small> <u>(1)</u>	Percent of Total <u>(2)</u>	Annual Cost Rate <small>(Exhibit 2 Col 10)</small> <u>(3)</u>	Weighted Cost of Capital <small>(Col 2 x Col 3)</small> <u>(4)</u>
1. Short Term Debt	\$0	0.00%	0.45%	0.00%
2. Long Term Debt	\$861,914,688	44.54%	3.81%	1.70%
3. Common Equity	<u>\$1,073,342,622</u>	<u>55.46%</u>	9.07% (a)	<u>5.03% (b)</u>
4. Total Capitalization	<u><u>\$1,935,257,310</u></u>	<u><u>100.00%</u></u>		<u><u>6.73%</u></u>
5. Pro-forma Net Operating Income				\$130,191,092 (c)
6. Net Operating Income / Total Capitalization				6.73% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 26, Column 4
(d) - Column 4, Line 5 divided by Column 1, Line 4

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Rate of Return on Common Equity
For the Twelve Months Ended December 31, 2011**

	Adjusted Gas Capitalization (Exhibit 2 Col 8) (1)	Percent of Total (2)	Annual Cost Rate (Exhibit 2 Col 10) (3)	Weighted Cost of Capital (Col 2 x Col 3) (4)
1. Short Term Debt	\$0	0.00%	0.45%	0.00%
2. Long Term Debt	\$227,234,711	44.54%	3.81%	1.70%
3. Common Equity	\$282,974,872	55.46%	8.56% (a)	4.75% (b)
4. Total Capitalization	<u>\$510,209,583</u>	<u>100.00%</u>		<u>6.45%</u>
5. Pro-forma Net Operating Income				\$32,884,441 (c)
6. Net Operating Income / Total Capitalization				6.45% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 26, Column 7
(d) - Column 4, Line 5 divided by Column 1, Line 4