

E ON AG  
Form U-13-60  
April 29, 2005

[QuickLinks](#) -- Click here to rapidly navigate through this document

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM U-13-60**

**ANNUAL REPORT**

**For the Period  
Beginning January 1, 2004 and Ending December 31, 2004**

to the

**U.S. SECURITIES AND EXCHANGE COMMISSION**

of

**LG&E ENERGY SERVICES INC.**

---

(Exact Name of Reporting Company)

a Subsidiary Service Company

---

("Mutual" or "Subsidiary")

Date of Incorporation: **June 2, 2000**

If not Incorporated, Date of Organization: **N/A**

State of Sovereign Power under which Incorporated or Organized: **Kentucky**

Location of Principal Executive Offices of Reporting Company: **Louisville, Kentucky**

Name, title and address of officer to whom correspondence concerning this report should be addressed:

**Mr. S. Bradford Rives  
Chief Financial Officer  
LG&E Energy LLC  
220 West Main Street  
Louisville, KY 40202**

Name of Principal Holding Company Whose Subsidiaries are served by Reporting Company:

**E.ON AG**

---



Edgar Filing: E ON AG - Form U-13-60

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

| Description of Schedules and Accounts   | Schedule or<br>Account Number | Page<br>Number |
|---|-------------------------------|----------------|
| Comparative Balance Sheet   | Schedule I                    | 2              |
| Service Company Property  | Schedule II                   | 4              |
| Accumulated Provision for Depreciation and Amortization of Service Company Property | Schedule III                  | 5              |
| Investments   | Schedule IV                   | 6              |
| Accounts Receivable from Associate Companies  | Schedule V                    | 7              |
| Fuel Stock Expenses Undistributed   | Schedule VI                   | 8              |
| Stores Expense Undistributed  | Schedule VII                  | 9              |
| Miscellaneous Current and Accrued Assets  | Schedule VIII                 | 10             |
| Miscellaneous Deferred Debits   | Schedule IX                   | 11             |
| Research, Development, or Demonstration Expenditures                                | Schedule X                    | 12             |
| Proprietary Capital   | Schedule XI                   | 13             |
| Long-Term Debt  | Schedule XII                  | 14             |
| Current and Accrued Liabilities   | Schedule XIII                 | 15             |
| Notes to Financial Statements   | Schedule XIV                  | 16             |
| Comparative Income Statement  | Schedule XV                   | 18             |
| Analysis of Billing Associate Companies   | Account 457                   | 19             |
| Analysis of Billing Non-associate Companies   | Account 458                   | 20             |
| Analysis of Charges for Service Associate and Non-associate Companies               | Schedule XVI                  | 21             |
| Schedule of Expense of Department or Service Function                               | Schedule XVII                 | 22             |
| Departmental Analysis of Salaries   | Account 920                   | 28             |
| Outside Services Employed   | Account 923                   | 29             |
| Employee Pensions and Benefits  | Account 926                   | 39             |
| General Advertising Expenses  | Account 930.1                 | 40             |
| Miscellaneous General Expenses  | Account 930.2                 | 41             |
| Rents   | Account 931                   | 42             |
| Taxes Other than Income Taxes   | Account 408                   | 43             |
| Donations   | Account 426.1                 | 44             |
| Other Deductions  | Account 426.5                 | 45             |
| Notes to Statement of Income  | Schedule XVIII                | 46             |

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

|  |    |
|--|----|
| Organization Chart   | 47 |
| Methods of Allocation                                      | 48 |
| Annual Statement of Compensation for Use of Capital Billed | 50 |
| Signature Clause   | 51 |
| Supplemental Information, as required in merger order      | 52 |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
Schedule I Comparative Balance Sheet

Give balance sheet of the Company as of December 31 of the current and prior year.

|  | 2004              | 2003              |
|--|-------------------|-------------------|
| <b>Service Company Property</b>                                  |                   |                   |
| 101 Service Company Property (Schedule II)                       | 3,210,875         | 2,473,541         |
| 107 Construction Work in Progress (Schedule II)                  | 1,096,931         | 944,604           |
| Total Property   | 4,307,806         | 3,418,145         |
| 108 Less Accumulated Provision for Deprec & Amort (Schedule III) | -2,042,058        | -1,101,757        |
| Net Service Company Property                                     | 2,265,748         | 2,316,388         |
| <b>Investments</b>   |                   |                   |
| 123 Investments in Associate Co's (Schedule IV)                  | 0                 | 0                 |
| 124 Other Investments (Schedule IV)                              | 0                 | 0                 |
| Total Investments  | 0                 | 0                 |
| <b>Current and Accrued Assets</b>                                |                   |                   |
| 131 Cash   | 0                 | -4,701,159        |
| 134 Special Deposits   | 0                 | 0                 |
| 135 Working Funds  | 0                 | 0                 |
| 136 Temporary Cash Investments (Schedule IV)                     | 0                 | 0                 |
| 141 Notes Receivable   | 0                 | 0                 |
| 143 Accounts Receivable  | 343,230           | 345,162           |
| 144 Accumulated Provision for Uncollectible Accounts             | 0                 | 0                 |
| 146 Accounts Receivable from Associate Co's (Schedule V)         | 65,723,948        | 72,583,796        |
| 152 Fuel Stock Expenses Undistributed (Schedule VI)              | 0                 | 0                 |
| 154 Materials and Supplies                                       | 0                 | 0                 |
| 163 Stores Expense Undistributed (Schedule VII)                  | 0                 | 0                 |
| 165 Prepayments  | 113,961           | 77,819            |
| 174 Misc. Current & Accrued Assets (Schedule VIII)               | 0                 | 0                 |
| Total Current and Accrued Assets                                 | 66,181,139        | 68,305,618        |
| <b>Deferred Debits</b>   |                   |                   |
| 181 Unamortized Debt Expense                                     | 0                 | 0                 |
| 184 Clearing Accounts  | -33,699           | 23,958            |
| 186 Misc. Deferred Debits (Schedule IX)                          | 9,837,253         | 9,487,256         |
| 188 Research, Develop. or Demonstrn Expenditures (Schedule X)    | 0                 | 0                 |
| 190 Accumulated Deferred Income Taxes                            | 0                 | 0                 |
| Total Deferred Debits  | 9,803,554         | 9,511,214         |
| <b>TOTAL ASSETS AND OTHER DEBITS</b>                             | <b>78,250,441</b> | <b>80,133,220</b> |



Edgar Filing: E ON AG - Form U-13-60

| Proprietary Capital                       |   |                    |                    |
|---|---|--------------------|--------------------|
| 201                                       | Common Stock Issued (Schedule XI)                   | 100                | 100                |
| 211                                       | Misc. Paid-In-Capital (Schedule XI)                 | 900                | 900                |
| 215                                       | Appropriated Retained Earnings                      | 0                  | 0                  |
| 216                                       | Unappropriated Retained Earnings (Schedule XI)      | 0                  | 0                  |
| 219                                       | OCI Minimum Pension Liability                       | -10,488,057        | -6,915,762         |
|   |   | <u>-10,487,057</u> | <u>-6,914,762</u>  |
| Long-Term Debt                            |   |                    |                    |
| 223                                       | Advances from Associate Co's (Schedule XII)         | 0                  | 0                  |
| 224                                       | Other Long-Term Debt (Schedule XII)                 | 0                  | 0                  |
| 225                                       | Unamortized Premium on Long-Term Debt               | 0                  | 0                  |
| 226                                       | Unamortized Discount on Long-Term Debt              | 0                  | 0                  |
|   |   | <u>0</u>           | <u>0</u>           |
| Total Long-Term Debt                      |   |                    |                    |
|   |   | <u>0</u>           | <u>0</u>           |
| Current and Accrued Liabilities           |   |                    |                    |
| 228.3                                     | Accumulated Provision for Pensions and Benefits     | 9,170,034          | 7,138,574          |
| 231                                       | Notes Payable                                       | 0                  | 0                  |
| 232                                       | Accounts Payable                                    | 87,455,054         | 77,438,464         |
| 233                                       | Notes Payable to Associate Co's (Schedule XIII)     | 0                  | 0                  |
| 234                                       | Accounts Payable to Associate Co's (Schedule XIII)  | 1,928,359          | 3,885,809          |
| 236                                       | Taxes Accrued                                       | 6,025,875          | 9,936,575          |
| 237                                       | Interest Accrued                                    | 0                  | 0                  |
| 238                                       | Dividends Declared                                  | 0                  | 0                  |
| 241                                       | Tax Collections Payable                             | 250,934            | 940,377            |
| 242                                       | Misc. Current & Accrued Liabilities (Schedule XIII) | 5,606,452          | 5,493,821          |
|   |   | <u>110,436,708</u> | <u>104,833,620</u> |
| Total Current and Accrued Liabilities     |   |                    |                    |
|   |   | <u>110,436,708</u> | <u>104,833,620</u> |
| Deferred Credits                          |   |                    |                    |
| 253                                       | Other Deferred Credits                              | 7,563,786          | 1,622,990          |
| 255                                       | Accumulated Deferred Investment Tax Credits         | 0                  | 0                  |
|   |   | <u>7,563,786</u>   | <u>1,622,990</u>   |
| Total Deferred Credits                    |   |                    |                    |
|   |   | <u>7,563,786</u>   | <u>1,622,990</u>   |
| 282                                       | Accumulated Deferred Income Taxes                   | 0                  | 0                  |
| 283                                       | Deferred Income Tax Other                           | -29,262,996        | -19,408,628        |
|   |   | <u>-29,262,996</u> | <u>-19,408,628</u> |
| TOTAL LIABILITIES AND PROPRIETARY CAPITAL |   |                    |                    |
|   |   | <u>78,250,441</u>  | <u>80,133,220</u>  |

NOTE: Accounts Payable also includes accumulated provision for pensions, other deferred credits and other current liabilities

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule II Service Company Property

| Account | Description                   | Balance at Beginning of Year | Additions         | Retirements       | Balance at Close of Year |
|---------|-------------------------------|------------------------------|-------------------|-------------------|--------------------------|
| 301     | Organization                  | 0                            | 0                 | 0                 | 0                        |
| 303     | Misc. Intangible Plant        | 0                            | 0                 | 0                 | 0                        |
| 389     | Land & Land Rights            | 0                            | 0                 | 0                 | 0                        |
| 390     | Structures & Improvements     | 0                            | 0                 | 0                 | 0                        |
| 391     | Office Furniture & Equipment  | 2,473,541                    | 737,334           | 0                 | 3,210,875                |
| 392     | Transportation                | 0                            | 0                 | 0                 | 0                        |
| 397     | Communication Equipment       | 0                            | 0                 | 0                 | 0                        |
| 399     | Other Tangible Property       | 0                            | 0                 | 0                 | 0                        |
|         | Subtotal                      | 2,473,541                    | 737,334           | 0                 | 3,210,875                |
| 107     | Construction Work In Progress | 944,604                      | 20,130,269        | 19,977,942        | 1,096,931                |
|         | <b>TOTAL</b>                  | <b>3,418,145</b>             | <b>20,867,603</b> | <b>19,977,942</b> | <b>4,307,806</b>         |

(1) Provide an explanation of those changes considered material:

None

(2) Subaccounts are required for each class of equipment owned. The Service Company shall provide a listing by subaccount of equipment additions during the year and the balance at the close of the year:

| Subaccount Description             | Additions | Balance at Close of Year |
|------------------------------------|-----------|--------------------------|
| 339110 Office Furniture            | 1,385     | 377,682                  |
| 339120 Office Equipment            | 0         | 4,590                    |
| 339131 Personal Computer Equipment | 735,949   | 2,828,603                |
| Total                              | 737,334   | 3,210,875                |

(3) Describe other Service Company Property:

None

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

## Schedule III Accumulated Provision for Depreciation and Amortization of Service Company Property

| Account | Description                  | Balance at<br>Beginning<br>of Year | Debits         | Credits          | Balance at<br>Close<br>of Year |
|---------|------------------------------|------------------------------------|----------------|------------------|--------------------------------|
| 301     | Organization                 | 0                                  | 0              | 0                | 0                              |
| 303     | Misc. Intangible Plant       | 0                                  | 0              | 0                | 0                              |
| 389     | Land & Land Rights           | 0                                  | 0              | 0                | 0                              |
| 390     | Structures & Improvements    | 0                                  | 0              | 0                | 0                              |
| 391     | Office Furniture & Equipment | 1,101,757                          | 939,307        | 1,879,608        | 2,042,058                      |
| 392     | Transportation               | 0                                  | 0              | 0                | 0                              |
| 397     | Communication Equipment      | 0                                  | 0              | 0                | 0                              |
| 399     | Other Tangible Property      | 0                                  | 0              | 0                | 0                              |
|         | <b>TOTAL</b>                 | <b>1,101,757</b>                   | <b>939,307</b> | <b>1,879,608</b> | <b>2,042,058</b>               |

(1) Provide an explanation of those changes considered material:

None



Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule IV Investments

Instructions:

Complete the following schedule concerning investments. Under Account 124 "Other Investments," state each investment separately, with description, including, the name of issuing company, number of shares or principal amount, etc. Under Account 136, "Temporary Cash Investment," list each investment separately.

| Description                                       | Balance at        |               |
|---|-------------------|---------------|
|   | Beginning of Year | Close of Year |
| Account 123 Investment in Associate Companies     | 0                 | 0             |
| Account 124 Investment (Options on land purchase) | 0                 | 0             |
| Account 136 Temporary Cash Investment             | 0                 | 0             |
|   | 0                 | 0             |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule V Accounts Receivable from Associate Companies

Instructions:

Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

Account 146 Accounts Receivable from Associate Companies

| Description                               | Balance at<br>Beginning of Year | Balance at<br>End of Year |
|---|---------------------------------|---------------------------|
| LG&E Enertech Inc.                        | 0                               | 0                         |
| LG&E Home Services Inc.                   | 6,812                           | 5,246                     |
| LG&E Capital Corp.                        | 26,799,945                      | 24,703,699                |
| Louisville Gas and Electric Company       | 20,624,453                      | 20,396,400                |
| Kentucky Utilities Company                | 18,787,045                      | 17,856,117                |
| Western Kentucky Energy Corp.             | 1,558,895                       | 1,965,576                 |
| LG&E Energy LLC                           | 2,841,667                       | 595,195                   |
| LG&E Energy Marketing Inc. (Discontinued) | 1,155,444                       | 0                         |
| E.ON UK                                   | 309,275                         | 979                       |
| LG&E Energy Foundation Inc.               | 39,920                          | 4,369                     |
| E.ON AG                                   | 271,951                         | 43,890                    |
| E.ON NA                                   | 1,332                           | 0                         |
| Sydkraft AB                               | 182,718                         | 151,975                   |
| FSF Minerals                              | 168                             | 243                       |
| FCD LLC                                   | 187                             | 259                       |
| LPD Tiger Creek Management                | 3,984                           | 0                         |
| <b>TOTAL</b>                              | <b>72,583,796</b>               | <b>65,723,948</b>         |

Analysis of Convenience or Accommodation Payments:

|                                     | Amount            |
|-------------------------------------|-------------------|
| Louisville Gas and Electric Company | 15,845,686        |
| LG&E Capital Corp.                  | 456,646           |
| Kentucky Utilities Company          | 16,710,923        |
| Western Kentucky Energy Corp.       | 6,883,258         |
| CRC-Evans International Inc.        | 0                 |
| LG&E Power Inc.                     | 1,612,132         |
|                                     | <b>41,508,645</b> |

Convenience payments result primarily from the following items:

|                           |            |
|---------------------------|------------|
| Risk Management Insurance | 11,952,307 |
| Workers Comp Insurance    | 1,586,678  |
| Pension Benefit Guaranty  | 1,264,573  |

Edgar Filing: E ON AG - Form U-13-60

|                                |            |
|--------------------------------|------------|
| Long Term Disability Insurance | 570,438    |
| Life Insurance                 | 1,814,107  |
| Dental Insurance               | 1,567,573  |
| Medical Insurance              | 19,990,610 |
| 401k Employer Match            | 2,762,359  |
|                                | <hr/>      |
|                                | 41,508,645 |
|                                | <hr/>      |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule VI Fuel Stock Expenses Undistributed

Instructions:

Report the amount of labor and expenses incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associated company. Under the section headed "Summary" listed below give an overall report of the fuel functions performed by the service company.

| Description                                   | Labor | Expenses | Total |
|---|-------|----------|-------|
| Account 152 Fuel Stock Expenses Undistributed | 0     | 0        | 0     |
| TOTAL   | 0     | 0        | 0     |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule VII Stores Expense Undistributed

Instructions:

Report the amount of labor and expenses incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

| Description                              | Labor | Expenses | Total |
|--|-------|----------|-------|
| Account 163 Stores Expense Undistributed | 0     | 0        | 0     |
| TOTAL                                    | 0     | 0        | 0     |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule VIII Miscellaneous Current and Accrued Assets

Instructions:

Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

| Description  | Balance at        |               |
|--|-------------------|---------------|
|  | Beginning of Year | Close of Year |
| Account 174 Miscellaneous Current and Accrued Assets | 0                 | 0             |
|  | 0                 | 0             |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule IX Miscellaneous Deferred Debits

Instructions:

Provide detail of items in this account. Items less than \$10,000 may be grouped by class showing the number of items in each class.

| Description                   | Balance at        |                  |
|-------------------------------|-------------------|------------------|
|                               | Beginning of Year | Close of Year    |
| Account 186                   |                   |                  |
| Miscellaneous Deferred Debits |                   |                  |
| Intangible Pension Asset      | 9,487,256         | 9,837,253        |
|                               | <u>9,487,256</u>  | <u>9,837,253</u> |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule X Research, Development or Demonstration Expenditures

Instruction:

Provide a description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

| Description  | Direct<br>Costs<br>Charged |
|--|----------------------------|
| Account 188 Research, Development, or Demonstration Expenditures | 0                          |
| TOTAL  | 0                          |



Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XI Proprietary Capital

| Account No. | Class of Stock | Number of Shares Authorized | Par or Stated Value per Share | Outstanding Close of Period |              |
|-------------|----------------|-----------------------------|-------------------------------|-----------------------------|--------------|
|             |                |                             |                               | No. of Shares               | Total Amount |
| 201         | Common Stock   | 1,000                       | \$ 0                          | 100                         | \$ 100.00    |

Instructions:

Classify amounts in each account with brief explanation, disclosing the general nature of transactions which give rise to the reported amounts.

| Description  | Amount             |
|--|--------------------|
| Account 201 Common Stock   | 100                |
| Account 211 Contributed Capital Misc.                            | 900                |
| Account 214 Other Comprehensive Income Minimum Pension Liability | 0                  |
| Account 215 Appropriated Retained Earnings                       | 0                  |
| Account 219 OCI Minimum Pension Liability                        | -10,488,057        |
| <b>TOTAL</b>   | <b>-10,487,057</b> |

Instructions:

Give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing non-associates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid.

|  |      |
|--|------|
| Account 216 Unappropriated Retained Earnings | NONE |
|--|------|

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
 For the Year Ended December 31, 2004

Schedule XII Long Term Debt

Instructions:

Advances from associate companies should be reported separately for advances on notes, and advances on open account. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 Other Long-Term Debt provide the name of creditor company or organization, terms of the obligation, date of maturity, interest rate, and the amount authorized and outstanding.

| Name of Creditor                                 | Terms of Obligation<br>Class & Series of<br>Obligation | Date of<br>Maturity | Interest<br>Rate | Amount<br>Authorized | Balance at<br>Beginning<br>of Year | Additions | Deductions | Balance at<br>Close of<br>Year |
|--|--|---------------------|------------------|----------------------|------------------------------------|-----------|------------|--------------------------------|
| Account 223 Advances from<br>Associate Companies |  |                     |                  | NONE                 | 0                                  | 0         | 0          | 0                              |
| Account 224 Other<br>Long-Term Debt              |  |                     |                  |                      | 0                                  | 0         | 0          | 0                              |
| <b>TOTAL</b>                                     |  |                     |                  |                      | <b>0</b>                           | <b>0</b>  | <b>0</b>   | <b>0</b>                       |

Give an explanation of Deductions:  
 NONE

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.

For the Year Ended December 31, 2004

Schedule XIII Current and Accrued Liabilities

Instructions:

Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

| Description   | Balance at        |                  |
|---|-------------------|------------------|
|   | Beginning of Year | Close of Year    |
| Account 233 Notes Payable to Associate Companies          | NONE              | NONE             |
| Account 234 Accounts Payable to Associate Companies       |                   |                  |
| LG&E Capital Corp.  | 1,370,134         | 580,368          |
| LG&E Enertech Inc.  | 0                 | 0                |
| Louisville Gas and Electric Company                       | 179,489           | 180,959          |
| Kentucky Utilities Company                                | 1,138,131         | 89,006           |
| Western Kentucky Energy Corp.                             | 5,547             | 21,516           |
| LG&E Home Services Inc.                                   | 63                | 0                |
| LG&E Energy LLC   | 439,997           | 985,196          |
| LPD Tiger Creek   | 0                 | 0                |
| E.ON AG   | 40,656            | 46,713           |
| E.ON UK   | 711,792           | 24,601           |
| <b>TOTAL</b>  | <b>3,885,809</b>  | <b>1,928,359</b> |
| Account 242 Miscellaneous Current and Accrued Liabilities |                   |                  |
| Misc. Liability Vested Vacation                           | 5,493,821         | 5,606,452        |
| <b>TOTAL</b>  | <b>5,493,821</b>  | <b>5,606,452</b> |

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XIV Notes to Financial Statements

Instructions:

The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

Note 1 Organization of the Company

LG&E Energy Services Inc., a Kentucky corporation (the Company or SERVCO), is a wholly-owned subsidiary of LG&E Energy LLC (LEL), a registered public utility holding company under the Public Utility Holding Company Act of 1935 (PUHCA). On December 30, 2003, LEL became the successor by assignment and subsequent merger, to all the assets and liabilities of the former LG&E Energy Corp. (LEC). Following the transaction, LEL, became a registered holding company under PUHCA. The Company was authorized to conduct business as a service company for LEC and its various subsidiaries by order of the Securities and Exchange Commission (SEC) dated December 6, 2000, and commenced operations January 1, 2001.

On July 1, 2002, E.ON AG (E.ON) completed its acquisition of Powergen plc, now Powergen Limited, which includes LEL, for approximately £5.1 billion (\$7.3 billion). Following the acquisition, E.ON became a registered holding company under PUHCA. As contemplated in their regulatory filings in connection with the E.ON acquisition, E.ON, Powergen and LG&E Energy completed an administrative reorganization to move the LG&E Energy group from an indirect Powergen subsidiary to an indirect E.ON subsidiary. This reorganization was effective in March 2003. In early 2004, LEL began direct reporting arrangements to E.ON.

The Company provides certain services to affiliated entities, including Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU), at cost as required under PUHCA. On January 1, 2001, approximately 1,000 employees, mainly from LEC, LG&E and KU, were moved to the Company. The Company is organized along functional lines to accomplish its purpose of providing management, administrative, and technical services. These services are priced so that the Company operates on a break-even basis.

The Company follows the Uniform System of Accounts prescribed by the SEC, and maintains its accounts in accordance with PUHCA. The accounting policies of the Company conform to U.S. generally accepted accounting principles (GAAP).

Note 2 Summary of Significant Accounting Policies

A. Management's Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Property

Property, plant and equipment includes property that is in use and under construction, and is reported at cost. Depreciation is computed on a straight-line basis. Office furniture is depreciated over 30 years and personal computers are depreciated over 3 years.

C. Income Taxes

The Company accounts for income taxes pursuant to Statement of Financial Accounting Standards No. 109 "Accounting For Income Taxes" (FAS 109). This standard requires that deferred income taxes be recorded for all temporary differences between the financial statement and tax basis of assets, liabilities and loss carryforwards. Deferred tax balances are based on enacted tax laws at tax rates that are expected to be in effect when the temporary differences reverse. Through December 31, 2004, the Company was part of the E.ON US Investments Corp. consolidated Federal income tax return, which includes LEL and all other eligible U.S. subsidiaries.

D. Pension and Other Post-retirement Benefits

The Company has both funded and unfunded noncontributory defined benefit pension plans that together cover substantially all of its employees. The plans provide defined benefits based on years of service and final average salary.

The Company also offers other post-retirement benefit plans to eligible employees. The post-retirement health care plan is contributory with participants' contributions adjusted annually. The plan includes a limit on the Company's share of costs for recent and future retirees with a fixed employer contribution. Postretirement life insurance is also offered and is noncontributory.

The Company uses December 31 as the measurement date for its plans.

Note 3 Common Stock

The Company is authorized to issue 1,000 shares of common stock, no par value per share. At December 31, 2004, there were 1,000 shares authorized and 100 shares issued and outstanding. LEL holds all of the Company's common stock.

Note 4 Related Party Transactions

A. Service Agreements

The Company engages in transactions in the normal course of business with other LEL subsidiaries. These transactions are primarily composed of services received and/or rendered. The Company has entered into Service Agreements and Service Level Agreements with affiliates that receive these services.

B. Money Pool

The Company operates the Utility Money Pool and the Non-Utility Money Pool, including recordkeeping and coordination of loans, to more effectively utilize cash resources and to reduce outside short-term borrowings. Both Money Pools are administered on an "at-cost" basis.

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.

For the Year Ended December 31, 2004

Schedule XV Statement of Income

| Account                  | Description                                  | 2004               | 2003               |
|--------------------------|--|--------------------|--------------------|
| <b>INCOME</b>            |  |                    |                    |
| 457                      | Services Rendered to Associate Companies     | 239,162,991        | 308,493,204        |
| 458                      | Services Rendered to Non-Associate Companies | 0                  | 0                  |
| 421                      | Miscellaneous Income and Loss                | 0                  | 0                  |
| <b>TOTAL INCOME</b>      |  | <b>239,162,991</b> | <b>308,493,204</b> |
| <b>EXPENSES</b>          |  |                    |                    |
| 920                      | Salaries and Wages                           | 87,173,781         | 88,176,947         |
| 921                      | Office Supplies and Expenses                 | 49,358,776         | 70,450,959         |
| 922                      | Administrative Expenses Transferred Credit   | 0                  | 0                  |
| 923                      | Outside Services Employed                    | 61,239,874         | 124,415,229        |
| 924                      | Property Insurance                           | 24,388             | 13,246             |
| 925                      | Injuries and Damages                         | -26,632            | 70,696             |
| 926                      | Employee Pensions and Benefits               | 16,602,891         | 6,852,424          |
| 928                      | Regulatory Commission Expenses               | 273,161            | 68                 |
| 930.1                    | General Advertising Expenses                 | 1,503,468          | 254,180            |
| 930.2                    | Miscellaneous General Expenses               | 2,307,736          | 202,725            |
| 931                      | Rents  | 0                  | 1,382              |
| 932                      | Maintenance of Structures and Equipment      | 0                  | 0                  |
| 935                      | Maintenance Communication Equipment          | 48,860             | 11,323             |
| 403                      | Depreciation and Amortization Expense        | 948,141            | 710,679            |
| 408                      | Taxes other than Income Taxes                | 5,508,213          | 4,513,283          |
| 409                      | Income Taxes                                 | 7,948,775          | 5,786,872          |
| 410                      | Provision for Deferred Income Taxes          | -7,948,775         | -5,786,872         |
| 411                      | Provision for Deferred Income Taxes Credit   | 0                  | 0                  |
| 411.5                    | Investment Tax Credit                        | 0                  | 0                  |
| 426.1                    | Donations                                    | 368,650            | 251,252            |
| 426.2                    | Life Insurance                               | 0                  | 0                  |
| 426.3                    | Penalties                                    | 10,653             | 25,075             |
| 426.4                    | Civic, Political & Related Act.              | 900,065            | 973,996            |
| 426.5                    | Other Deductions                             | 12,920,966         | 11,569,376         |
| 427                      | Interest on Long Term Debt                   | 0                  | 0                  |
| 430                      | Interest on Debt to Associate Companies      | 0                  | 0                  |
| 431                      | Other Interest Expense                       | 0                  | 0                  |
| 566                      | Misc. Trans. Exp.                            | 0                  | 364                |
| 588                      | Misc. Distrib. Exp.                          | 0                  | 0                  |
| <b>TOTAL EXPENSE</b>     |  | <b>239,162,991</b> | <b>308,493,204</b> |
| <b>NET INCOME (LOSS)</b> |  | <b>0</b>           | <b>0</b>           |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
 For the Year Ended December 31, 2004  
 Analysis of Billing

Associate Companies Account 457

| NAME OF ASSOCIATE COMPANY                 | DIRECT COSTS CHARGED | INDIRECT COSTS CHARGED | COMPENSATION FOR USE OF CAPITAL | TOTAL AMOUNT BILLED |
|---|----------------------|------------------------|---------------------------------|---------------------|
| Louisville Gas and Electric Company       | 88,694,644           | 9,628,408              | 0                               | 98,323,052          |
| Kentucky Utilities Company                | 78,471,583           | 8,431,596              | 0                               | 86,903,179          |
| Western Kentucky Energy Corp.             | 6,259,652            | 668,353                | 0                               | 6,928,005           |
| LG&E Energy LLC                           | 0                    | 0                      | 0                               | 0                   |
| LG&E Capital Corp.                        | 23,403,946           | 3,344,164              | 0                               | 26,748,110          |
| LG&E Enertech Inc.                        | 6,747                | 0                      | 0                               | 6,747               |
| LG&E Credit Corp.                         | 0                    | 0                      | 0                               | 0                   |
| KU Solutions                              | 275,665              | 0                      | 0                               | 275,665             |
| LPI Power Gen                             | 5,499,436            | 201,430                | 0                               | 5,700,866           |
| LG&E Energy Marketing Inc. (Continuing)   | 3,590,349            | 452,811                | 0                               | 4,043,160           |
| LG&E International                        | 6,000                | 0                      | 0                               | 6,000               |
| LG&E Argentina                            | 2,633,119            | 0                      | 0                               | 2,633,119           |
| LG&E Power Development Inc. (Fairfax)     | 322,646              | 74,525                 | 0                               | 397,171             |
| LG&E Energy Marketing Gas Facilities      | -283                 | 0                      | 0                               | -283                |
| LG&E Energy Marketing Inc. (Discontinued) | 3,466,207            | 938,737                | 0                               | 4,404,944           |
| CRC Evans                                 | 0                    | 0                      | 0                               | 0                   |
| E.ON UK                                   | 2,104,116            | 90,066                 | 0                               | 2,194,182           |
| LG&E Energy Foundation Inc.               | 60,704               | 0                      | 0                               | 60,704              |
| LPD Tiger Creek Management                | -274,509             | 90,066                 | 0                               | -184,443            |
| Sydkraft AB                               | 18,771               | 0                      | 0                               | 18,771              |
| E.ON AG                                   | 704,042              | 0                      | 0                               | 704,042             |
| <b>TOTAL</b>                              | <b>215,242,835</b>   | <b>23,920,156</b>      | <b>0</b>                        | <b>239,162,991</b>  |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
 For the Year Ended December 31, 2004  
 Analysis of Billing

Non-associate Companies Account 458

Instruction:

Provide a brief description of the services rendered to each non-associate company:

| NAME OF NON-ASSOCIATE COMPANY | DIRECT<br>COSTS<br>CHARGED | INDIRECT<br>COSTS<br>CHARGED | COMPENSATION<br>FOR USE<br>OF CAPITAL | TOTAL<br>AMOUNT<br>BILLED |
|-------------------------------|----------------------------|------------------------------|---------------------------------------|---------------------------|
| NONE                          | 0                          | 0                            | 0                                     | 0                         |
| TOTAL                         | 0                          | 0                            | 0                                     | 0                         |



Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVI Analysis of Charges for Service Associate and Non-associate Companies

| ACCOUNT | DESCRIPTION OF ITEMS                       | ASSOCIATE COMPANY CHARGES |                   |                    | NON-ASSOCIATE COMPANY CHARGES |               |          | TOTAL CHARGES      |                   |                    |
|---------|--|---------------------------|-------------------|--------------------|-------------------------------|---------------|----------|--------------------|-------------------|--------------------|
|         |  | DIRECT COST               | INDIRECT COST     | TOTAL              | DIRECT COST                   | INDIRECT COST | TOTAL    | DIRECT COST        | INDIRECT COST     | TOTAL              |
| 920     | Salaries & Wages                           | 73,170,287                | 14,003,494        | 87,173,781         | 0                             | 0             | 0        | 73,170,287         | 14,003,494        | 87,173,781         |
| 921     | Office Supplies & Expenses                 | 46,600,827                | 2,757,949         | 49,358,776         | 0                             | 0             | 0        | 46,600,827         | 2,757,949         | 49,358,776         |
| 922     | Administrative Expense                     | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 923     | Outside Services Employed                  | 58,826,412                | 2,413,462         | 61,239,874         | 0                             | 0             | 0        | 58,826,412         | 2,413,462         | 61,239,874         |
| 924     | Property Insurance                         | 24,388                    | 0                 | 24,388             | 0                             | 0             | 0        | 24,388             | 0                 | 24,388             |
| 925     | Injuries and Damages                       | 515                       | -27,147           | -26,632            | 0                             | 0             | 0        | 515                | -27,147           | -26,632            |
| 926     | Employee Pensions and Benefits             | 13,644,850                | 2,958,041         | 16,602,891         | 0                             | 0             | 0        | 13,644,850         | 2,958,041         | 16,602,891         |
| 928     | Regulatory Commission Expense              | 273,161                   | 0                 | 273,161            | 0                             | 0             | 0        | 273,161            | 0                 | 273,161            |
| 930.1   | General Advertising Expense                | 1,503,468                 | 0                 | 1,503,468          | 0                             | 0             | 0        | 1,503,468          | 0                 | 1,503,468          |
| 930.2   | Miscellaneous General Expenses             | 2,266,576                 | 41,160            | 2,307,736          | 0                             | 0             | 0        | 2,266,576          | 41,160            | 2,307,736          |
| 931     | Rents                                      | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 932     | Maintenance of Structures and Equipment    | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 935     | Maintenance-Communication Equipment        | 48,860                    | 0                 | 48,860             | 0                             | 0             | 0        | 48,860             | 0                 | 48,860             |
| 403     | Depreciation and Amortization Expenses     | 948,141                   | 0                 | 948,141            | 0                             | 0             | 0        | 948,141            | 0                 | 948,141            |
| 408     | Taxes Other than Income Taxes              | 4,253,535                 | 1,254,678         | 5,508,213          | 0                             | 0             | 0        | 4,253,535          | 1,254,678         | 5,508,213          |
| 409     | Income Taxes                               | 7,948,775                 | 0                 | 7,948,775          | 0                             | 0             | 0        | 7,948,775          | 0                 | 7,948,775          |
| 410     | Provision for Deferred Income Taxes        | -7,948,775                | 0                 | -7,948,775         | 0                             | 0             | 0        | -7,948,775         | 0                 | -7,948,775         |
| 411     | Provision for Deferred Income Taxes Credit | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 411.5   | Investment Tax Credit                      | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 426.1   | Donations                                  | 361,570                   | 7,080             | 368,650            | 0                             | 0             | 0        | 361,570            | 7,080             | 368,650            |
| 426.2   | Life Insurance                             | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 426.3   | Penalties                                  | 10,653                    | 0                 | 10,653             | 0                             | 0             | 0        | 10,653             | 0                 | 10,653             |
| 426.4   | Civic, Political & Related Act.            | 900,065                   | 0                 | 900,065            | 0                             | 0             | 0        | 900,065            | 0                 | 900,065            |
| 426.5   | Other Deductions                           | 12,697,300                | 223,666           | 12,920,966         | 0                             | 0             | 0        | 12,697,300         | 223,666           | 12,920,966         |
| 427     | Interest on Long Term Debt                 | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 430     | Interest on Debt to Associate Companies    | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 431     | Other Interest Expense                     | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 566     | Misc Trans. Exp.                           | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
| 588     | Misc Distrib. Exp.                         | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
|         | <b>TOTAL EXPENSES</b>                      | <b>215,530,608</b>        | <b>23,632,383</b> | <b>239,162,991</b> | <b>0</b>                      | <b>0</b>      | <b>0</b> | <b>215,530,608</b> | <b>23,632,383</b> | <b>239,162,991</b> |
|         | 457.3 Compensation for Use of Equity       | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
|         | 430s Interest on Debt to Associate Co      | 0                         | 0                 | 0                  | 0                             | 0             | 0        | 0                  | 0                 | 0                  |
|         | <b>TOTAL COST OF SERVICE</b>               | <b>215,530,608</b>        | <b>23,632,383</b> | <b>239,162,991</b> | <b>0</b>                      | <b>0</b>      | <b>0</b> | <b>215,530,608</b> | <b>23,632,383</b> | <b>239,162,991</b> |



Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVII Schedule of Expense  
Distribution by Department or Service Function

Instructions:

Indicate each department or service function.

(See Instruction 01-3 General Structure of Accounting System:Uniform System of Accounts).

| ACCT                 | DESCRIPTION                                | TOTAL              | SALES/MKTG       | CUST<br>SVC       | METERING       | REVENUE<br>COLLECT | POWER<br>GENERATION | FUEL<br>PROCURE  | TRANSMN          |
|----------------------|--|--------------------|------------------|-------------------|----------------|--------------------|---------------------|------------------|------------------|
| 901                  | Supervision                                | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 920                  | Salaries and Wages                         | 87,173,781         | 2,066,296        | 4,434,678         | 233,748        | 765,811            | 3,653,794           | 1,069,164        | 4,823,337        |
| 921                  | Office Supplies and Expenses               | 49,358,776         | 1,234,548        | 1,427,498         | 19,409         | 138,440            | 3,806,354           | 318,084          | 1,299,215        |
| 922                  | Administrative Expenses Transferred Credit | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 923                  | Outside Services Employed                  | 61,239,874         | 997,654          | 7,121,654         | 83             | 79,825             | 15,277,669          | 72,868           | 1,193,576        |
| 924                  | Property Insurance                         | 24,388             | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 925                  | Injuries and Damages                       | -26,632            | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 926                  | Employee Pensions and Benefits             | 16,602,891         | 0                | 0                 | 0              | 0                  | 9,344               | 0                | 0                |
| 928                  | Regulatory Commission Expenses             | 273,161            | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 930.1                | General Advertising Expenses               | 1,503,468          | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 930.2                | Miscellaneous General Expenses             | 2,307,736          | 0                | 26,949            | 0              | 0                  | 0                   | 117,250          | 0                |
| 931                  | Rents                                      | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 932                  | Maintenance of Structures and Equipment    | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 935                  | Maintenance-Communication Equipment        | 48,860             | 0                | 0                 | 0              | 0                  | 0                   | 0                | 901              |
| 403                  | Depreciation and Amortization Expense      | 948,141            | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 408                  | Taxes other than Income Taxes              | 5,508,213          | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 409                  | Income Taxes                               | 7,948,775          | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 410                  | Provision for Deferred Income Taxes        | -7,948,775         | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 411                  | Provision for Deferred Income Taxes Credit | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 411.5                | Investment Tax Credit                      | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 426.1                | Donations                                  | 368,650            | 174              | -25               | 0              | -410               | 12,715              | 0                | 0                |
| 426.2                | Life Insurance                             | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 426.3                | Penalties                                  | 10,653             | 0                | 0                 | 0              | -2,500             | 0                   | 0                | 0                |
| 426.4                | Civic, Political & Related Act.            | 900,065            | 0                | 0                 | 0              | 0                  | 0                   | 51,291           | 0                |
| 426.5                | Other Deductions                           | 12,920,966         | 200              | 199,122           | 0              | 3,405              | 230,960             | 1,431            | 7,500            |
| 427                  | Interest on Long Term Debt                 | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 430                  | Interest on Debt to Associate Companies    | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 431                  | Other Interest Expense                     | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 0                |
| 566                  | Misc Trans. Exp.                           | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 513              |
| 588                  | Misc Distrib. Exp.                         | 0                  | 0                | 0                 | 0              | 0                  | 0                   | 0                | 513              |
| <b>TOTAL EXPENSE</b> |  | <b>239,162,991</b> | <b>4,298,872</b> | <b>13,209,876</b> | <b>253,240</b> | <b>984,571</b>     | <b>22,990,836</b>   | <b>1,630,088</b> | <b>7,325,555</b> |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVII Schedule of Expense  
Distribution by Department or Service Function

Instructions:

Indicate each department or service function.

(See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCT                 | DESCRIPTION                                   | REGULATORY<br>AFFAIR | ENVIRON<br>AFFAIR | REGULATORY<br>MKTG | DISTRIB<br>OPER<br>NETWK | DISTRIB<br>OPER<br>ASSET MGT | DISTRIB<br>OPER<br>MAINT | DISTRIB<br>OPER<br>MGMT | FINANCIAL<br>PLAN/<br>BUDGET |
|----------------------|---|----------------------|-------------------|--------------------|--------------------------|------------------------------|--------------------------|-------------------------|------------------------------|
| 901                  | Supervision                                   | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 920                  | Salaries and Wages                            | 862,219              | 623,389           | 5,163,579          | 100,309                  | 1,965,907                    | 768,821                  | 1,080,289               | 1,543,831                    |
| 921                  | Office Supplies and Expenses                  | 210,196              | 1,996,335         | 760,264            | 49,440                   | 378,609                      | 110,727                  | 298,190                 | 159,982                      |
| 922                  | Administrative Expenses                       |                      |                   |                    |                          |                              |                          |                         |                              |
|                      | Transferred Credit                            | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 923                  | Outside Services Employed                     | 807,941              | 963,354           | 521,713            | 1,500                    | 2,608,360                    | 27,000                   | 167,842                 | 21,469                       |
| 924                  | Property Insurance                            | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 925                  | Injuries and Damages                          | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 926                  | Employee Pensions and Benefits                | 0                    | 0                 | 0                  | 0                        | 1,050                        | 0                        | 2,151                   | 2,781                        |
| 928                  | Regulatory Commission Expenses                | 273,161              | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 930.1                | General Advertising Expenses                  | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 930.2                | Miscellaneous General Expenses                | 0                    | 1,045,994         | 0                  | 0                        | 0                            | 0                        | 81,614                  | 0                            |
| 931                  | Rents   | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 932                  | Maintenance of Structures and<br>Equipment    | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 935                  | Maintenance-Communication<br>Equipment        | 0                    | 0                 | 0                  | 0                        | 0                            | 3,212                    | 1,311                   | 0                            |
| 403                  | Depreciation and Amortization<br>Expense      | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 408                  | Taxes other than Income Taxes                 | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 409                  | Income Taxes                                  | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 410                  | Provision for Deferred Income<br>Taxes        | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 411                  | Provision for Deferred Income<br>Taxes Credit | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 411.5                | Investment Tax Credit                         | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 426.1                | Donations                                     | 0                    | 0                 | 0                  | 1,700                    | 0                            | 0                        | 9,170                   | 0                            |
| 426.2                | Life Insurance                                | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 426.3                | Penalties                                     | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | -1,500                  | 0                            |
| 426.4                | Civic, Political & Related Act.               | 200                  | 0                 | 0                  | 0                        | 0                            | 0                        | 1,283                   | 0                            |
| 426.5                | Other Deductions                              | 1,514                | 29,320            | 0                  | 0                        | 50                           | 0                        | 886                     | 64,674                       |
| 427                  | Interest on Long Term Debt                    | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 430                  | Interest on Debt to Associate<br>Companies    | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 431                  | Other Interest Expense                        | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 566                  | Misc Trans. Exp.                              | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| 588                  | Misc Distrib. Exp.                            | 0                    | 0                 | 0                  | 0                        | 0                            | 0                        | 0                       | 0                            |
| <b>TOTAL EXPENSE</b> |   | <b>2,155,231</b>     | <b>4,658,392</b>  | <b>6,445,556</b>   | <b>152,949</b>           | <b>4,953,976</b>             | <b>909,760</b>           | <b>1,641,236</b>        | <b>1,792,737</b>             |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVII Schedule of Expense  
Distribution by Department or Service Function

Instructions:  
Indicate each department or service function.  
(See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCT DESCRIPTION                                  | ACCT/<br>FINANC<br>REPORTING | TRADING<br>CNTRLS/ENRGY<br>MKTG | PAYROLL        | CORP<br>TAX    | FINANCE<br>SYS   | FINANCE/<br>CNTRACT<br>AUDITING | IT<br>STRATEGY   | IT<br>OPER        | CASH<br>MGT      |
|---|------------------------------|---------------------------------|----------------|----------------|------------------|---------------------------------|------------------|-------------------|------------------|
| 901 Supervision                                   | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | -17,379           | 0                |
| 920 Salaries and Wages                            | 2,477,160                    | 800,944                         | 267,945        | 697,257        | 1,719,243        | 700,847                         | 1,378,086        | 15,286,868        | 173,283          |
| 921 Office Supplies and<br>Expenses               | 131,735                      | 249,363                         | 44,570         | 12,364         | 248,456          | 116,197                         | 1,701,028        | 17,115,710        | 2,343,430        |
| 922 Administrative Expenses<br>Transferred Credit | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 923 Outside Services Employed                     | 398,424                      | 2,607                           | 20,906         | 95,466         | 2,634,914        | 168,126                         | 209,456          | 4,400,237         | 234,603          |
| 924 Property Insurance                            | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 925 Injuries and Damages                          | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 926 Employee Pensions and<br>Benefits             | 13,641                       | 0                               | 0              | 0              | 0                | 0                               | 14,934           | -916,698          | 0                |
| 928 Regulatory Commission<br>Expenses             | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 930.1 General Advertising<br>Expenses             | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 930.2 Miscellaneous General<br>Expenses           | 0                            | 0                               | 9              | 0              | 0                | 0                               | 51,627           | -248,277          | 0                |
| 931 Rents   | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 932 Maintenance of Structures<br>and Equipment    | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 935 Maintenance-Communication<br>Equipment        | 0                            | 0                               | 0              | 0              | 0                | 0                               | 19,606           | -307,839          | 0                |
| 403 Depreciation and<br>Amortization Expense      | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 408 Taxes other than Income<br>Taxes              | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | -272,456          | 0                |
| 409 Income Taxes                                  | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 410 Provision for Deferred<br>Income Taxes        | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 411 Provision for Deferred<br>Income Taxes Credit | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 411.5 Investment Tax Credit                       | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 426.1 Donations                                   | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 426.2 Life Insurance                              | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 426.3 Penalties                                   | 0                            | 0                               | 83             | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 426.4 Civic, Political & Related<br>Act.          | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 426.5 Other Deductions                            | 1,859                        | 10,092                          | 0              | 8,020          | 0                | 20,913                          | 0                | 733               | 0                |
| 427 Interest on Long Term Debt                    | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 430 Interest on Debt to Associate<br>Companies    | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 431 Other Interest Expense                        | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 566 Misc Trans. Exp.                              | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| 588 Misc Distrib. Exp.                            | 0                            | 0                               | 0              | 0              | 0                | 0                               | 0                | 0                 | 0                |
| <b>TOTAL EXPENSE</b>                              | <b>3,022,819</b>             | <b>1,063,006</b>                | <b>333,513</b> | <b>813,107</b> | <b>4,602,613</b> | <b>1,006,083</b>                | <b>3,374,737</b> | <b>35,040,899</b> | <b>2,751,316</b> |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVII Schedule of Expense  
Distribution by Department or Service Function

Instructions:

Indicate each department or service function.

(See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCT  | DESCRIPTION                                | CORP<br>FINANCE  | INVESTOR/<br>SHREHL<br>RELAT | RISK<br>MGMT     | STRATEGY<br>PLAN | LEGAL             | INTRNL<br>COMMUNIC | BLDG<br>OPER<br>MAINT | SECURITY         | DOC<br>SVC       |
|-------|--|------------------|------------------------------|------------------|------------------|-------------------|--------------------|-----------------------|------------------|------------------|
| 901   | Supervision                                | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 920   | Salaries and Wages                         | 385,159          | 0                            | 0                | 309,650          | 1,630,231         | 43,302             | 639,190               | 173,604          | 79,429           |
| 921   | Office Supplies and Expenses               | 949,917          | 0                            | 668,783          | 53,386           | 342,580           | 15,541             | 779,891               | 95,549           | 4,699,381        |
| 922   | Administrative Expenses                    |                  |                              |                  |                  |                   |                    |                       |                  |                  |
|       | Transferred Credit                         | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 923   | Outside Services Employed                  | 411,136          | 17,246                       | 494,342          | 5,522            | 11,908,676        | 56,652             | 2,216,694             | 1,747,015        | 1,968,703        |
| 924   | Property Insurance                         | 0                | 0                            | 24,388           | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 925   | Injuries and Damages                       | 0                | 0                            | 6,727            | 0                | 0                 | 0                  | 0                     | 470              | 0                |
| 926   | Employee Pensions and Benefits             | 0                | 0                            | 0                | 0                | 0                 | 0                  | 1,128                 | 1,185            | 0                |
| 928   | Regulatory Commission Expenses             | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 930.1 | General Advertising Expenses               | 0                | 0                            | 0                | 0                | 0                 | 37,699             | 0                     | 0                | 0                |
| 930.2 | Miscellaneous General Expenses             | 0                | 0                            | 0                | 0                | 80                | 0                  | 0                     | 0                | 170              |
| 931   | Rents                                      | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 932   | Maintenance of Structures and Equipment    | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 935   | Maintenance-Communication Equipment        | 0                | 0                            | 0                | 0                | 0                 | 0                  | 171                   | 0                | 0                |
| 403   | Depreciation and Amortization Expense      | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 408   | Taxes other than Income Taxes              | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 409   | Income Taxes                               | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 410   | Provision for Deferred Income Taxes        | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 411   | Provision for Deferred Income Taxes Credit | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 411.5 | Investment Tax Credit                      | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 426.1 | Donations                                  | 0                | 0                            | 0                | 3,150            | 0                 | 0                  | 0                     | 0                | 0                |
| 426.2 | Life Insurance                             | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 426.3 | Penalties                                  | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 426.4 | Civic, Political & Related Act.            | 0                | 0                            | 0                | 0                | 19,802            | 0                  | 0                     | 65               | 0                |
| 426.5 | Other Deductions                           | 12,617           | 0                            | 0                | 8,763            | 34,906            | -32                | 1                     | 0                | -905             |
| 427   | Interest on Long Term Debt                 | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 430   | Interest on Debt to Associate Companies    | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 431   | Other Interest Expense                     | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 566   | Misc Trans. Exp.                           | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
| 588   | Misc Distrib. Exp.                         | 0                | 0                            | 0                | 0                | 0                 | 0                  | 0                     | 0                | 0                |
|       | <b>TOTAL EXPENSE</b>                       | <b>1,758,829</b> | <b>17,246</b>                | <b>1,194,240</b> | <b>380,471</b>   | <b>13,936,275</b> | <b>153,162</b>     | <b>3,637,075</b>      | <b>2,017,888</b> | <b>6,746,778</b> |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVII Schedule of Expense  
Distribution by Department or Service Function

Instructions:  
Indicate each department or service function.  
(See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCT DESCRIPTION                               | R.O.W.         | TRANSPORT<br>SVC | PROCURE-<br>MENT | STRATEGIC<br>SOURCING | MATERIALS<br>LOGISTICS | SOURCING<br>SUPPORT | CORP<br>HR       | TECH &<br>SAFETY<br>TRAINING | INDUSTRY<br>RELATIONS |
|--|----------------|------------------|------------------|-----------------------|------------------------|---------------------|------------------|------------------------------|-----------------------|
| 901 Supervision                                | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 920 Salaries and Wages                         | 137,205        | 146,972          | 226,311          | 450,932               | 461,860                | 305,412             | 2,770,242        | 886,093                      | 129,460               |
| 921 Office Supplies and Expenses               | 21,713         | 11,122           | 46,287           | 68,871                | 58,386                 | 173,432             | 1,970,897        | 349,820                      | 19,194                |
| 922 Administrative Expenses Transferred Credit | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 923 Outside Services Employed                  | 107,983        | 1,980            | 90,537           | 92,376                | 10,721                 | 135,498             | 500,789          | 92,910                       | 6,495                 |
| 924 Property Insurance                         | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 925 Injuries and Damages                       | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 26,380                       | 0                     |
| 926 Employee Pensions and Benefits             | 0              | 0                | 0                | 0                     | 0                      | 0                   | 108,608          | 2,717                        | 0                     |
| 928 Regulatory Commission Expenses             | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 930.1 General Advertising Expenses             | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 1,217                        | 0                     |
| 930.2 Miscellaneous General Expenses           | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 931 Rents                                      | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 932 Maintenance of Structures and Equipment    | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 935 Maintenance-Communication Equipment        | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 403 Depreciation and Amortization Expense      | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 408 Taxes other than Income Taxes              | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 409 Income Taxes                               | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 410 Provision for Deferred Income Taxes        | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 411 Provision for Deferred Income Taxes Credit | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 411.5 Investment Tax Credit                    | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 426.1 Donations                                | 0              | 0                | 1,139            | 19,659                | 0                      | 0                   | 0                | 0                            | 0                     |
| 426.2 Life Insurance                           | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 426.3 Penalties                                | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 426.4 Civic, Political & Related Act.          | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 426.5 Other Deductions                         | 0              | 0                | 2,519            | 35,221                | 12,333                 | 300                 | 96,946           | 0                            | 0                     |
| 427 Interest on Long Term Debt                 | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 430 Interest on Debt to Associate Companies    | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 431 Other Interest Expense                     | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 566 Misc Trans. Exp.                           | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| 588 Misc Distrib. Exp.                         | 0              | 0                | 0                | 0                     | 0                      | 0                   | 0                | 0                            | 0                     |
| <b>TOTAL EXPENSE</b>                           | <b>266,901</b> | <b>160,074</b>   | <b>366,793</b>   | <b>667,059</b>        | <b>543,300</b>         | <b>614,642</b>      | <b>5,447,482</b> | <b>1,359,137</b>             | <b>155,149</b>        |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVII Schedule of Expense  
Distribution by Department or Service Function

Instructions:

Indicate each department or service function.

(See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCT  | DESCRIPTION                                | EXEC<br>MGMT      | CORPORATE        | EXTERNAL<br>MKTG | OVERHEADS         |
|-------|--|-------------------|------------------|------------------|-------------------|
| 901   | Supervision                                | 0                 | 4,693            | 0                | 12,686            |
| 920   | Salaries and Wages                         | 5,999,783         | 317,317          | 721,017          | 18,703,807        |
| 921   | Office Supplies and Expenses               | 2,177,414         | 1,578,370        | 711,515          | 396,583           |
| 922   | Administrative Expenses Transferred Credit | 0                 | 0                | 0                | 0                 |
| 923   | Outside Services Employed                  | 2,443,053         | 184,522          | 713,784          | 5,993             |
| 924   | Property Insurance                         | 0                 | 0                | 0                | 0                 |
| 925   | Injuries and Damages                       | 0                 | -11,175          | 0                | -49,034           |
| 926   | Employee Pensions and Benefits             | 5,226             | 0                | 0                | 17,356,824        |
| 928   | Regulatory Commission Expenses             | 0                 | 0                | 0                | 0                 |
| 930.1 | General Advertising Expenses               | 91,996            | 138              | 1,372,418        | 0                 |
| 930.2 | Miscellaneous General Expenses             | 1,009,233         | 71,960           | 20,000           | 131,127           |
| 931   | Rents                                      | 0                 | 0                | 0                | 0                 |
| 932   | Maintenance of Structures and Equipment    | 0                 | 0                | 0                | 0                 |
| 935   | Maintenance-Communication Equipment        | 0                 | 148,776          | 0                | 182,722           |
| 403   | Depreciation and Amortization Expense      | 0                 | 948,141          | 0                | 0                 |
| 408   | Taxes other than Income Taxes              | 0                 | 0                | 0                | 5,780,669         |
| 409   | Income Taxes                               | 0                 | 7,948,775        | 0                | 0                 |
| 410   | Provision for Deferred Income Taxes        | 0                 | -7,948,775       | 0                | 0                 |
| 411   | Provision for Deferred Income Taxes Credit | 0                 | 0                | 0                | 0                 |
| 411.5 | Investment Tax Credit                      | 0                 | 0                | 0                | 0                 |
| 426.1 | Donations                                  | 313,623           | 0                | 7,755            | 0                 |
| 426.2 | Life Insurance                             | 0                 | 0                | 0                | 0                 |
| 426.3 | Penalties                                  | 0                 | 14,570           | 0                | 0                 |
| 426.4 | Civic, Political & Related Act.            | 771,882           | 0                | 55,542           | 0                 |
| 426.5 | Other Deductions                           | 531,627           | 72,971           | 27,916           | 11,505,104        |
| 427   | Interest on Long Term Debt                 | 0                 | 0                | 0                | 0                 |
| 430   | Interest on Debt to Associate Companies    | 0                 | 0                | 0                | 0                 |
| 431   | Other Interest Expense                     | 0                 | 0                | 0                | 0                 |
| 566   | Misc Trans. Exp.                           | 0                 | -513             | 0                | 0                 |
| 588   | Misc Distrib. Exp.                         | 0                 | -513             | 0                | 0                 |
|       | <b>TOTAL EXPENSE</b>                       | <b>13,343,837</b> | <b>3,329,257</b> | <b>3,629,947</b> | <b>54,026,481</b> |



Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Departmental Analysis of Salaries Account 920

INCLUDED IN AMOUNTS BILLED TO:

| NAME OF DEPT OR SERVICE FUNCTION                | TOTAL AMOUNT      | PARENT (LEL) | OTHER ASSOCIATES  | NON-ASSOCIATES | NUMBER OF PERSONNEL END OF YEAR |
|---|-------------------|--------------|-------------------|----------------|---------------------------------|
| Customer Service                                | 5,721,782         | 0            | 5,721,782         | 0              | 129                             |
| Sales & Marketing                               | 2,693,615         | 0            | 2,693,615         | 0              | 35                              |
| Metering  | 307,104           | 0            | 307,104           | 0              | 4                               |
| Revenue Collection                              | 1,001,552         | 0            | 1,001,552         | 0              | 18                              |
| Power Generation                                | 4,598,136         | 0            | 4,598,136         | 0              | 64                              |
| Fuel Procurement                                | 1,403,054         | 0            | 1,403,054         | 0              | 15                              |
| Transmission                                    | 6,333,529         | 0            | 6,333,529         | 0              | 80                              |
| Regulatory Affairs Management                   | 1,131,293         | 0            | 1,131,293         | 0              | 13                              |
| Environmental Affairs Management                | 811,980           | 0            | 811,980           | 0              | 10                              |
| Regulatory Marketing                            | 7,183,339         | 0            | 7,183,339         | 0              | 62                              |
| Distribution Oper-Repair Network Process        | 132,247           | 0            | 132,247           | 0              | 1                               |
| Distribution Oper-Asset Mgmt                    | 2,576,608         | 0            | 2,576,608         | 0              | 29                              |
| Distribution Oper-Oper & Maintain Network Procs | 1,007,374         | 0            | 1,007,374         | 0              | 18                              |
| Distribution Oper-Management                    | 1,418,728         | 0            | 1,418,728         | 0              | 16                              |
| Financial Planning & Budgeting                  | 1,989,882         | 0            | 1,989,882         | 0              | 27                              |
| Accounting & Financial Reporting                | 3,224,709         | 0            | 3,224,709         | 0              | 53                              |
| Trading Controls/Energy Mktg Accounting         | 1,057,792         | 0            | 1,057,792         | 0              | 15                              |
| Payroll   | 354,985           | 0            | 354,985           | 0              | 7                               |
| Corporate Tax                                   | 915,976           | 0            | 915,976           | 0              | 12                              |
| Financial Systems                               | 1,741,678         | 0            | 1,741,678         | 0              | 3                               |
| Financial & Contract Auditing                   | 905,145           | 0            | 905,145           | 0              | 13                              |
| IT Tech Strategy, Planning & Security           | 1,810,154         | 0            | 1,810,154         | 0              | 22                              |
| IT Operations                                   | 18,212,814        | 0            | 18,212,814        | 0              | 175                             |
| Cash Mgmt & Investment Services                 | 228,065           | 0            | 228,065           | 0              | 4                               |
| Corporate Finance Services                      | 504,551           | 0            | 504,551           | 0              | 6                               |
| Strategic Planning                              | 406,328           | 0            | 406,328           | 0              | 3                               |
| Legal Services                                  | 2,133,744         | 0            | 2,133,744         | 0              | 22                              |
| Internal Communications                         | 55,710            | 0            | 55,710            | 0              | 0                               |
| Building Operations & Maintenance Services      | 838,645           | 0            | 838,645           | 0              | 12                              |
| Security Services                               | 228,201           | 0            | 228,201           | 0              | 4                               |
| Document Services                               | 103,710           | 0            | 103,710           | 0              | 1                               |
| Right Of Way Services                           | 179,491           | 0            | 179,491           | 0              | 3                               |
| Transportation Services                         | 193,141           | 0            | 193,141           | 0              | 2                               |
| Procurement & Major Contracts                   | 295,888           | 0            | 295,888           | 0              | 2                               |
| Strategic Sourcing                              | 590,687           | 0            | 590,687           | 0              | 8                               |
| Materials Logistics                             | 606,383           | 0            | 606,383           | 0              | 9                               |
| Sourcing Support                                | 401,151           | 0            | 401,151           | 0              | 6                               |
| Corporate Human Resources                       | 3,631,890         | 0            | 3,631,890         | 0              | 44                              |
| Technical & Safety Training                     | 1,164,518         | 0            | 1,164,518         | 0              | 17                              |
| Industrial Relations Management                 | 169,336           | 0            | 169,336           | 0              | 2                               |
| Executive Management Services                   | 7,319,282         | 0            | 7,319,282         | 0              | 34                              |
| Corporate                                       | 654,733           | 0            | 654,733           | 0              | 0                               |
| External & Brand Commun.                        | 934,851           | 0            | 934,851           | 0              | 14                              |
| <b>TOTAL</b>                                    | <b>87,173,781</b> | <b>0</b>     | <b>87,173,781</b> | <b>0</b>       | <b>1,014</b>                    |

NOTES:

Edgar Filing: E ON AG - Form U-13-60

Internal Communications had personnel during 2004, but none at December 31, 2004.

Corporate had no personnel during 2004; the amount in this category is entirely an allocation to the corporate cost center.

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Outside Services Employed Account 923

Instructions:

Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

| From Whom Purchased                             | Address   | Relationship<br>"A" Associate<br>"NA" Non-Associate | Amount  |
|---|---|---|---------|
| 4Sight Corporation                              | 1302 Basswood Ct.<br>Jeffersonville, IN 47130                 | NA  | 675,126 |
| Abel Construction Company Inc.                  | 3401 Bashford Ave. Ct.<br>Louisville, KY 40218                | NA  | 147,610 |
| Access Computer Careers                         | 429 W. Muhammad Ali Blvd, Ste 502<br>Louisville, KY 40202     | NA  | 126,316 |
| Aerotek Contract Engineering Services           | P.O. Box 630853<br>Baltimore, MD 21263-0853                   | NA  | 36,389  |
| AETNA Building Maintenance Inc.                 | 525 N. Yellow Springs St.<br>Springfield, OH 45504            | NA  | 268,473 |
| Ajilon LLC                                      | 2918 Collections Center Dr.<br>Chicago, IL 60693              | NA  | 103,290 |
| Alstom Power, Inc.                              | P.O. Box 905480<br>Charlotte, NC 28290-5480                   | NA  | 776,239 |
| Alvarez and Marsal                              | 777 Walker St #2470<br>Houston, TX 77002                      | NA  | 49,518  |
| American Payment Systems Inc.                   | P.O. Box 5736<br>Hartford, CT 06102-5736                      | NA  | 489,299 |
| Analysts International                          | 22062 Network Pl.<br>Chicago, IL 60673                        | NA  | 334,560 |
| Analysis Group                                  | 111 Huntington Ave. 10th Floor<br>Boston, MA 02199            | NA  | 113,688 |
| Andriot, James E                                | 231 Breckenridge Ln. S202-D<br>Louisville, KY 40207           | NA  | 97,569  |
| Apriso Corp.                                    | 1 World Trade Center, Suite 1000<br>Long Beach, CA 90831-1000 | NA  | 108,136 |
| Assured Asset Protection Inc.                   | 8220 Saint Anthony Church Rd.<br>Louisville, KY 40214         | NA  | 165,730 |
| AUS Consultants Weber Fick & Wilson<br>Division | P.O. Box 1050<br>Morrestown, NJ 08057                         | NA  | 147,559 |
| Avaya Inc.                                      | P.O. Box 27-850   | NA  | 112,000 |

Edgar Filing: E ON AG - Form U-13-60

| From Whom Purchased | Address                                   | Relationship<br>"A" Associate<br>"NA" Non-Associate | Amount    |
|---------------------|---|---|-----------|
|                     | Kansas City, MO 64180                     |   |           |
| Baker Botts LLP     | P.O. Box 201626<br>Houston, TX 77216-1626 | NA  | 58,297    |
| Banctec Inc         | P.O. Box 910887<br>Dallas, TX 75391-0887  | NA  | 51,846    |
| Bank One NA         | P.O. Box 94596<br>Louisville, KY 40294    | NA  | 1,455,538 |

Edgar Filing: E ON AG - Form U-13-60

|                                |   |    |         |
|--------------------------------|---|----|---------|
| Baptistworx                    | 3303 Fern Valley Road Suite 200<br>Louisville, KY 40213             | NA | 55,516  |
| Barrington Wellesley Group Inc | 2479 Lanam Ridge Rd.<br>Nashville, IN 47448                         | NA | 45,358  |
| Black & Veatch Corp            | 8400 Ward Pkwy<br>Energy Services Division<br>Kansas City, MO 64114 | NA | 753,521 |
| Boehl Stopher and Graves LLP   | 400 W. Market St. S. 2300<br>Louisville, KY 40202                   | NA | 760,790 |
| Brattle Group                  | 44 Brattle Street<br>Cambridge, MA 02138-3736                       | NA | 218,192 |
| Bray Electric Services, Inc    | 3800 Highgate Court<br>Crestwood, KY 40014                          | NA | 25,238  |
| Bruns Pak                      | 999 New Durham Rd.<br>Edison, NJ 08817                              | NA | 29,022  |
| Burns and McDonnell            | P.O. Box 411883<br>Kansas City, MO 64141                            | NA | 204,753 |
| Butler Flooring Services       | 4790 Crittenden Dr.<br>Louisville, KY 40209                         | NA | 69,424  |
| Bytemanagers                   | 800 W Huron St. Ste 4W<br>Chicago, IL 60622                         | NA | 40,006  |
| C&I Engineering, Inc           | 1930 Bishop Lane Ste 800<br>Louisville, KY 40218-1925               | NA | 43,709  |
| C & S H Inc.                   | 8601 Chetmer Ln.<br>Louisville, KY 40220                            | NA | 194,100 |
| Cannon Technologies, Inc       | 8301 Golden Valley Rd, Ste 300<br>Golden Valley, MN 55427           | NA | 993,990 |
| Carma International, Inc.      | 1023 15th St. NW 7th Floor<br>Washington, DC 20005                  | NA | 25,300  |
| Catalyst Air Management, Inc   | 11020 Solway School Road, Ste 108<br>Knoxville, TN 37931            | NA | 38,700  |
| CES International, Inc.        | 3140 Harbor Lane North<br>Plymouth, MN 55447                        | NA | 28,361  |
| Christensen Assoc              | 4610 University Avenue, Ste 700<br>Madison, WI 53705-2164           | NA | 175,368 |
| Clark and Riggs Printing, Inc. | 1904 Watterson Trail Ste 100<br>Louisville, KY 40299                | NA | 29,666  |
| CMR Services Group, Inc.       | 3122 Blackiston Mill Road, Ste D<br>New Albany, IN 47150            | NA | 29,242  |
| Colours 2000                   | 1106 Yakama St.<br>Louisville, KY 40214                             | NA | 35,032  |

Edgar Filing: E ON AG - Form U-13-60

|                               |  |    |         |
|-------------------------------|--|----|---------|
| Commercial Furniture Services | P.O. Box 1074<br>Louisville, KY 40201                    | NA | 55,379  |
| Commercial Movers Inc.        | P.O. Box 710710<br>Columbus, OH 43271                    | NA | 157,435 |
| Computer Progress United      | 304 Middletown Park Place, Ste A<br>Louisville, KY 40243 | NA | 111,790 |

Edgar Filing: E ON AG - Form U-13-60

|                                     |  |    |           |
|-------------------------------------|--|----|-----------|
| Computer Task Group Inc.            | P.O. Box 711778<br>Cincinnati, OH 45271                        | NA | 99,684    |
| Computershare Investor Services LLC | 33836 Treasury Center<br>Chicago, IL 60694                     | NA | 62,695    |
| Comverge Technologies               | 4497 Park Dr.<br>Norcross, GA 30093                            | NA | 673,254   |
| Convergent Group Corp.              | Dept. 0835<br>Denver, CO 80256                                 | NA | 3,064,337 |
| Corpedia Corp.                      | 2020 N Central Ave. Ste 1050<br>Phoenix, AZ 85004              | NA | 25,000    |
| Corporate Executive Board           | 3393 Collections Center Dr.<br>Chicago, IL 60693               | NA | 64,650    |
| Covington & Burling                 | P.O. Box 7566<br>Washington, DC 20044                          | NA | 1,246,474 |
| Creative Alliance                   | P.O. Box 641266<br>Cincinnati, OH 45264                        | NA | 25,903    |
| CSC Research Services               | P.O. Box 905145<br>Charlotte, NC 28290                         | NA | 35,000    |
| Cummins and Barnard Inc             | 5405 Data Court, Ste 100<br>Ann Arbor, MI 48108                | NA | 482,880   |
| Davis H Elliot Company Inc          | P.O.Box 12108<br>Lexington, KY 40580                           | NA | 425,497   |
| Deloitte & Touche LLP               | 4140 Collection Center Drive<br>Chicago, IL 60693              | NA | 70,814    |
| Derek Engineering                   | 2800 Constant Comment Place<br>Louisville, KY 40299            | NA | 172,468   |
| Design Collaborative Inc.           | 183 Lazy River N. Pkwy.<br>Shepherdsville, KY 40165            | NA | 66,227    |
| Dispute Resolution Management, Inc. | 132 W Pierpoint Ave., Ste 400<br>Salt Lake City, UT 84101-1917 | NA | 39,608    |
| Diversity Adventures Inc.           | 104 Ridgeway Ave.<br>Louisville, KY 40207                      | NA | 83,806    |
| Document Control Systems Inc.       | 1300 S. 4th St. S.150<br>Louisville, KY 40208                  | NA | 77,098    |
| Dolzer, Professor Rudolph           | Am Pferchelhang 4/1<br>Heidelberg GERMANY                      | NA | 31,056    |
| Duncan Technologies                 | 32441 30th Ave.<br>Stanton, MN 55018                           | NA | 119,369   |
| E Max Inc.                          | 2420 Frankfort Ave.<br>Louisville, KY 40206                    | NA | 717,600   |
| Eads Telecom North America Inc      | P.O. Box 57069   | NA | 74,307    |

Edgar Filing: E ON AG - Form U-13-60

|                         |   |    |           |
|-------------------------|---|----|-----------|
|                         | Jacksonville, FL 32241-7069                         |    |           |
| Edgewood Consulting Inc | 240 Bear Ladder Road<br>West Fulton, NY 12194       | NA | 95,478    |
| Enertouch Inc.          | 1959 Parker Cr. Suite E<br>Stone Mountain, GA 30087 | NA | 1,982,267 |



Edgar Filing: E ON AG - Form U-13-60

|   |   |    |            |
|---|---|----|------------|
| Environmental Concerns, Inc.                        | 300 Port #3<br>Kimberling City, MO 65686                            | NA | 39,506     |
| EON   | E.On Platz 1<br>Dusseldorf 40479 Germany                            | A  | 261,051    |
| EON Engineering GMBH                                | Bermannsgluckstr 41 43<br>Gelsenkirchen 45898 Germany               | A  | 834,196    |
| EON UK  | Sherwood Park Little Oak Drive Annesley<br>Nottinghamshire NN15 0DR | A  | 245,576    |
| EPRI  | P.O. Box 60624<br>Charlotte, NC 28260                               | NA | 83,790     |
| Ernst & Young LLP                                   | P.O. Box 96907<br>Chicago, IL 60693                                 | NA | 25,089     |
| Evans Construction Co Inc.                          | 4807 Chenoweth Run Rd.<br>Louisville, KY 40299                      | NA | 694,501    |
| Falco Electric Inc.                                 | 2743 New High St.<br>Louisville, KY 40209                           | NA | 66,502     |
| Falls City Fence Co.                                | 2201 West Jefferson St.<br>Louisville, KY 40212                     | NA | 25,152     |
| Fellers Snider Blankenship Bailey and<br>Tippens PC | 100 N. Broadway<br>Oklahoma City, OK 73102                          | NA | 31,993     |
| Fishel Co.  | 4508 Bishop Lane<br>Louisville, KY 40218                            | NA | 30,528     |
| Flour Enterprises, Inc.                             | P.O. Box 402655<br>Atlanta, GA 30384-2655                           | NA | 98,351     |
| Francis, James R.                                   | 24521 Morning Glory St.<br>Moreno Valley, CA 92553                  | NA | 48,020     |
| Frost Brown Todd LLC                                | P.O. Box 70087<br>Louisville, KY 40270                              | NA | 1,430,113  |
| Fuller Mossgarger Scott & May Engineers,<br>Inc.    | 1409 N.Forbes Rd.<br>Lexington, KY 40511-2050                       | NA | 100,133    |
| Gartner GRP   | 56 Top Gallant Road<br>P.O. Box 10212<br>Stanford, CT 06904         | NA | 99,131     |
| General Electric Company                            | Power Generation<br>1 River Road<br>Schenectady, NY 12245           | NA | 270,183    |
| Georgia Transmission Corp.                          | 2100 E. Exchange Pl.<br>Tucker, GA 30084-5336                       | NA | -1,272,473 |
| Greenebaum Doll & McDonald PLLC                     | Section 469<br>Louisville, KY 40289                                 | NA | 465,704    |
| Gus Perdikakis Associates                           | P.O. Box 498612<br>Cincinnati, OH 45249-8612                        | NA | 67,162     |

Edgar Filing: E ON AG - Form U-13-60

|   |   |    |         |
|---|---|----|---------|
| Guthrie Mayes & Associates Inc            | 710 West Main Street<br>Louisville, KY 40202-2676 | NA | 28,084  |
| H Huff Construction Mgmt Specialists Inc. | 1651 Colony Ln.<br>Zachary, LA 70791              | NA | 165,072 |

Edgar Filing: E ON AG - Form U-13-60

|  |  |    |           |
|--|--|----|-----------|
| Harshaw Trane Service                                      | 1800 Plantside Dr.<br>Louisville, KY 40299-1975  | NA | 205,561   |
| HDDS Inc.  | 900 W Market St. Suite 101<br>Louisville, KY 40202   | NA | 30,265    |
| Henderman Jessee and Co PLLC                               | 304 Whittington Pkwy, Ste 107<br>Louisville, KY 40222  | NA | 48,068    |
| Henwood Energy Services                                    | 2710-N Gateway Oaks Drive<br>Suite 300<br>Sacramento, CA 95833                                   | NA | 28,245    |
| Honeywell DMC Services Inc.                                | Stonehill Corp Center, 999 Broadway<br>Saugus, MA 01906  | NA | 2,043,871 |
| Hope Duggan and Silva                                      | Miami Commercial Center<br>8307 NW 68th St. S. 1218<br>P.O. Box 025743<br>Miami, FL 33102        | NA | 473,860   |
| Hoskins Law Offices PLLC                                   | P.O. Box 24564<br>Lexington, KY 40524-4564   | NA | 28,204    |
| HR Affiliates LLC  | 1930 Bishop Lane Ste. 111<br>Louisville, KY 40218  | NA | 206,946   |
| Hunton & Williams  | P.O. Box 18936<br>Washington, DC 20036   | NA | 130,290   |
| Ierardi, Ernest J  | 37 Tobey Brook<br>Pittsford, NY 14534  | NA | 26,483    |
| International Center for Settlement of Investment Disputes | 1818 H Street NW<br>Federal Reserve Bank of New York<br>33 Liberty Street<br>Washington DC 20433 | NA | 125,000   |
| Internet Security Systems                                  | 6303 Barfield Rd.<br>Atlanta, GA 30328   | NA | 61,548    |
| Iron Mountain  | 4111 Leghorn Dr.<br>Louisville, KY 40218   | NA | 59,831    |
| J. Bruce Miller Law Group                                  | 1800 One Riverfront Plaza<br>Louisville, KY 40202  | NA | 30,000    |
| JY Legner Associates Inc.                                  | 10000 Shelbyville Rd Ste. 105<br>Louisville, KY 40223  | NA | 267,202   |
| Jackson & Kelly PLLC                                       | P.O. Box 11276<br>Charleston, WV 25339   | NA | 40,720    |
| JC Graphics LLC  | 7006 Echo Tr.<br>Louisville, KY 40299  | NA | 52,483    |
| JD Power and Assoc.  | 30401 Agoura Rd.<br>Agoura Hills, CA 91301   | NA | 120,000   |
| Jones Day  | 77 West Wacker<br>Chicago, IL 60601  | NA | 380,586   |

Edgar Filing: E ON AG - Form U-13-60

|                                 |  |    |        |
|---------------------------------|--|----|--------|
| Just Engineering and Inspection | 14515 Pauley Gap Rd.<br>Louisville, KY 40272 | NA | 70,494 |
| Kennedy Covington               | P.O. Box 402988<br>Atlanta, GA 30384-2988    | NA | 39,709 |

## Edgar Filing: E ON AG - Form U-13-60

|                                  |   |    |         |
|----------------------------------|---|----|---------|
| Kentucky State Treasurer         | P.O. Box 2004<br>Frankfort, KY 40602-2004                           | NA | 79,856  |
| Kforce Inc.                      | 4965 U.S. Hwy 42 S.2900<br>Louisville, KY 40222                     | NA | 236,992 |
| Koinonia Computing Inc.          | 200 S. 5th St. STE 201 S<br>Louisville, KY 40202                    | NA | 326,825 |
| Lakeshore Financial Staffing     | 33112 Treasury Center<br>Chicago, IL 60694                          | NA | 58,891  |
| Lampion Consulting Inc.          | P.O. Box 141165<br>Cincinnati, OH 45250-1165                        | NA | 59,000  |
| Law Offices of Todd C Ringstad   | 2030 Main St. Ste 1200<br>Irvine, CA 92614                          | NA | 26,622  |
| Liberty Consulting Group         | 65 Main Street, PO Box 237<br>Quentin, PA 17083                     | NA | 76,550  |
| Liebert Global Services          | 610 Executive Campus Drive<br>Westerville, OH 43082                 | NA | 31,352  |
| Linebach Funkhouser Inc.         | 4059 Shelbyville Road<br>Louisville, KY 40207                       | NA | 167,500 |
| Lobo and Ibeas                   | Alameda Santos 224 6 Floor<br>CEP:01418-200                         | NA | 28,328  |
| Long, Gregory Keith              | 1704 Traveller Rd.<br>Lexington, KY 40504                           | NA | 48,557  |
| Longnecker and Associates        | P.O. Box 4008<br>Greensboro, NC 27404-4008                          | NA | 37,610  |
| Lyon, Robert E.                  | 2018 Tyler Ln.<br>Louisville, KY 40205                              | NA | 93,689  |
| Masters Mullins and Arrington    | 1012 S Fourth St.<br>Louisville, KY 40203                           | NA | 80,623  |
| Matrix Integration LLC           | 417 Main St.<br>Jasper, IN 47546                                    | NA | 139,623 |
| McGuirewoods LLP                 | One James Center<br>901 East Cary Street<br>Richmond, VA 23219-4030 | NA | 105,789 |
| Media Library Inc.               | 7604-D Big Bend Blvd<br>St. Louis, MO 63119                         | NA | 58,852  |
| Mercer Human Resource Consulting | P.O. Box 730212<br>Dallas, TX 75373-0212                            | NA | 54,000  |
| Merrill Communications LLC       | CM-9638<br>St. Paul, MN 55170-9638                                  | NA | 67,456  |
| Meta Group, Inc.                 | P.O. Box 19114<br>Newark, NJ 07195-0114                             | NA | 124,000 |

Edgar Filing: E ON AG - Form U-13-60

|   |  |    |         |
|---|--|----|---------|
| Midwest Independent System Operator Inc | 5517 W 74th Street<br>Indianapolis, IN 46268   | NA | 135,000 |
| Moodys Investor Service                 | P.O. Box 102597<br>Atlanta, GA 30368           | NA | 189,000 |
| Moore Security LLC                      | 506 Hwy 131 E., Ste 3<br>Clarksville, IN 47129 | NA | 125,389 |

Edgar Filing: E ON AG - Form U-13-60

|   |  |    |            |
|---|--|----|------------|
| MRO Software Inc.                             | P.O. Box 50-555<br>Woburn, MA 01815-0555               | NA | 33,166     |
| Multilingual Solutions Inc.                   | 22 W Jefferson St. Ste 402<br>Rockville, MD 20850      | NA | 45,848     |
| National Yellow Pages Direct                  | 14 Tower Park Ct, Ste 1<br>Little Rock, AR 72227       | NA | 31,260     |
| Neace Lukens Inc.                             | 211 Browns Ln.<br>Louisville, KY 40207                 | NA | 297,500    |
| Ness Global Services Inc.                     | 3918 Clock Point Tr Ste 101<br>Stow, OH 44224          | NA | 311,975    |
| Netgain Technologies Inc                      | 6100 Dutchmans Lane<br>Louisville, KY 40205            | NA | 51,586     |
| Netjets Aviation Inc.                         | 4111 Bridleway Ave.<br>Columbus, OH 43219              | NA | 116,880    |
| Nixon Peabody LLP                             | P.O. Box 31051<br>Rochester, NY 14603-1051             | NA | 163,437    |
| Occupational Physician Services of Louisville | 901 W. Broadway<br>Louisville, KY 40202                | NA | 46,888     |
| Off Duty Police Services Inc.                 | 13418 Forest Springs Dr.<br>Louisville, KY 40245-2076  | NA | 36,989     |
| Ogden Newell and Welch                        | 1700 Citizens Plaza<br>Louisville, KY 40202            | NA | 2,112,929  |
| Open Systems International Inc.               | 3600 Holly Ln. N. S 40<br>Minneapolis, MN 55447-1283   | NA | 718,347    |
| OPS Plus Inc                                  | 4530 Bishop Ln Ste 109<br>Louisville, KY 40218         | NA | 586,758    |
| Oracle Corp                                   | P.O. Box 71028<br>Chicago, IL 60694-1028               | NA | 2,633,751  |
| Overland Contracting Inc.                     | P.O. Box 801103<br>Kansas City, MO 64180-1103          | NA | 12,996,064 |
| PDE, PLLC                                     | 4024 Lilydale Ct.<br>Lexington, KY 40516               | NA | 84,376     |
| Perkins, Patricio                             | Chase, NYC<br>Argentina, Brazil                        | NA | 25,000     |
| Pink Elephant Inc.                            | 5575 N. Service Rd.<br>Burlington, ON, L7L 6M1, Canada | NA | 36,960     |
| Pira Energy Group                             | 3 Park Avenue 26th Floor<br>New York, NY 10016-5989    | NA | 40,500     |
| Porter, Janice W.                             | 5902 Croft Ct.<br>Louisville, KY 40207-1728            | NA | 52,176     |
| Powell Goldstein Frazer & Murphy LLP          | 191 Peachtree St. NE, 16th FL                          | NA | 558,445    |

Edgar Filing: E ON AG - Form U-13-60

|                  |  |    |         |
|------------------|--|----|---------|
|                  | Atlanta, GA 30303  |    |         |
| Power Creative   | 11701 Commonwealth Dr<br>Louisville, KY 40299              | NA | 30,956  |
| Power Technology | Westwood Way<br>Westwood Business Park<br>Coventry CV4 8LG | A  | 171,685 |



## Edgar Filing: E ON AG - Form U-13-60

|                                   |  |    |         |
|-----------------------------------|--|----|---------|
| Preferred Printing and Pro        | 2001 Papa John Blvd<br>Louisville, KY 40299            | NA | 42,110  |
| Pricewaterhouse Coopers LLP       | P.O. Box 651376<br>Charlotte, NC 28265                 | NA | 689,935 |
| Pro Turf Inc.                     | 2007 Browns Village Rd.<br>Jeffersontown, KY 40299     | NA | 75,137  |
| Professional Consultants          | 112 Ingle St<br>Evansville, IN 47708                   | NA | 61,622  |
| Quest Engineers Inc               | 300 West Main St, Ste 600<br>Louisville, KY 40202      | NA | 29,743  |
| R & D Strategic Solutions         | 3296 State Route 181 S<br>Greenville, KY 42345         | NA | 110,346 |
| RW Beck Inc                       | 1125 17th St<br>Denver, Co 80202-2615                  | NA | 28,781  |
| Remedy Staffing                   | 1030 Monarch St, Ste 300<br>Lexington, KY 40513        | NA | 167,487 |
| Retiree Consulting Group          | 366 E Lexington St.<br>Harrodsburg, KY 40330           | NA | 29,461  |
| Risk Management Services          | 9100 Marksfield Rd.<br>Louisville, KY 40222            | NA | 197,500 |
| RKS Research and Consulting       | 39 Fields Ln<br>North Salem, NY 40560                  | NA | 148,221 |
| Robert Half Management Resources  | 9300 Shelbyville Road<br>Louisville, KY 40222          | NA | 64,734  |
| Robert Half Technology            | 9300 Shelbyville Road, Ste 920<br>Louisville, KY 40222 | NA | 312,354 |
| RUS Sales                         | 2191 Columine Ct.<br>Lebanon, OH 45036                 | NA | 27,803  |
| Ryan Co LLC                       | 2295 Wolfpen Rd.<br>Sulphur, KY 40070                  | NA | 106,050 |
| Sargent and Lundy LLC             | 135 S. LaSalle St. Dept 2901<br>Chicago, IL 60674-2901 | NA | 48,401  |
| Schlumberger Industries           | P.O. Box 201556<br>Houston, TX 77216-1193              | NA | 211,707 |
| Schmidt Consulting Services       | 405 McKnight Park Drive<br>Pittsburgh, PA 15237        | NA | 265,342 |
| Schnell Contractors Inc.          | 1343 Tile Factory Ln<br>Louisville, KY 40213           | NA | 70,114  |
| Sharps Apparel Masters            | P.O. Box 266<br>Middlesboro, KY 40965                  | NA | 36,489  |
| Southern Plumbing and Heating Inc | 435 East Burnett Avenue                                | NA | 41,175  |

Edgar Filing: E ON AG - Form U-13-60

|                         |   |    |         |
|-------------------------|---|----|---------|
|                         | Louisville, KY 40217-1053                               |    |         |
| SPL Worldgroup Inc.     | 75 Hawthorn Plaza 20th Floor<br>San Francisco, CA 94105 | NA | 25,100  |
| Standard and Poors Corp | 2542 Collection Center Drive<br>Chicago, IL 60693       | NA | 154,000 |

Edgar Filing: E ON AG - Form U-13-60

|                                   |  |    |           |
|-----------------------------------|--|----|-----------|
| Sterling                          | 3550 Lander Road<br>Pepper Pike, OH 44124-5755                         | NA | 26,750    |
| Stoll Keenon and Park LLP         | 201 E. Main St. S. 1000<br>Lexington, KY 40507                         | NA | 658,273   |
| Structure Group LLC               | 2000 W Sam Houston Pky Ste 1600<br>Houston TX 77042                    | NA | 279,604   |
| Summit Blue Consulting            | 1722 14th St. S 230<br>Boulder, CO 80302                               | NA | 40,844    |
| Sutherland Asbill and Brennan LLP | 999 Peachtree St. NE<br>Atlanta, GA 30309                              | NA | 217,838   |
| Synergics Energy Services LLC     | 191 Main St.<br>Annapolis, MD 21401                                    | NA | 49,328    |
| Tamplin & Co                      | 6511 Glenridge Park Place 8<br>Louisville, KY 40222                    | NA | 68,824    |
| TBI                               | Cali Corporate Center<br>50 Tice Boulevard<br>Woodcliff Lake, NJ 07675 | NA | 82,848    |
| The Prime Group LLC               | P.O. Box 7469<br>Louisville, KY 40257                                  | NA | 300,463   |
| The Rotunda Group LLC             | P.O. Box 5711<br>Louisville, KY 40255                                  | NA | 54,158    |
| Todays Staffing Inc.              | P.O. Box 910270<br>Dallas, TX 75391                                    | NA | 614,756   |
| Towers Perrin                     | P.O. Box 8500 S-6110<br>Philadelphia, PA 19178                         | NA | 37,938    |
| Tremco Inc.                       | P.O. Box 931111<br>Cleveland, OH 44193-0511                            | NA | 45,000    |
| Troutman Sanders LLP              | 600 Peachtree Street NE S. 5200<br>Atlanta, GA 30308-2216              | NA | 2,046,701 |
| Tuck Mapping Solutions Inc.       | 1928 Wildcat Road<br>P.O. Box 760<br>Big Stone Gap, VA 24219           | NA | 49,755    |
| Unisys Pulsepoint Communications  | 6307 Carpinteria Ave.<br>Carpinteria, CA 93013                         | NA | 37,300    |
| United Mail                       | 4410 Bishop Ln.<br>Louisville, KY 40218                                | NA | 80,033    |
| US Ecology                        | P.O. Box 26273<br>Salt Lake City, UT 84126-0273                        | NA | 146,982   |
| US Postal                         | P.O. Box 4272<br>Carol Stream, IL 60197-4272                           | NA | 80,608    |
| Valleycrest Landscape             | 4510 Poplar Level Rd.<br>Louisville, KY 40213                          | NA | 30,698    |

Edgar Filing: E ON AG - Form U-13-60

|              |   |    |        |
|--------------|---|----|--------|
| Visualex LLC | 225 Ashford Ave 2nd Floor<br>Dobbs Ferry, NY 10522                      | NA | 68,226 |
| Wayne Corp.  | Medical Arts Bldg.<br>1169 Eastern Pkwy S. 1166<br>Louisville, KY 40217 | NA | 90,489 |

Edgar Filing: E ON AG - Form U-13-60

|                           |  |    |            |
|---------------------------|--|----|------------|
| Winston and Strawn        | 200 Park Ave<br>New York, NY 1016-4193           | NA | 41,586     |
| Wyatt Tarrant & Combs LLP | PNC Plaza<br>Louisville, KY 40202                | NA | 33,324     |
| Xerox                     | 9000 Wessex PL S. 100<br>Louisville, KY 40222    | NA | 1,906,916  |
| YCA                       | 2336 Wisteria Dr. S. 440<br>Snellville, GA 30078 | NA | 39,935     |
| All Others (646)          |  | NA | 152,828    |
|                           | TOTAL ALL  |    | 61,239,874 |
|                           | 38   |    |            |

---

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Employee Pensions and Benefits Account 926

Instructions:

Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

| Description               | Amount     |
|---------------------------|------------|
| Tuition                   | 30,945     |
| Life Insurance Expense    | 401,053    |
| Medical Insurance Expense | 4,691,482  |
| Dental Insurance Expense  | 402,220    |
| Post Employment Benefits  | 511,941    |
| Pension Expense           | 7,237,037  |
| Post Retirement Benefits  | 1,678,509  |
| 401 (K)                   | 1,392,333  |
| Long Term Disability      | 240,803    |
| Other Employee Welfare    | 16,568     |
|                           | <hr/>      |
|                           | 16,602,891 |
|                           | <hr/>      |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

General Advertising Expenses Account 930.1

Instruction:

Provide a listing of the amount included in Account 930.1, "General Advertising Expenses," classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

| NAME OF PAYEE   | DIRECT<br>COSTS<br>CHARGED |
|---|----------------------------|
| 828 FOUNDATION  | 13,000                     |
| AMERICAN EXPRESS CORP                                 | 50,620                     |
| BANK ONE NA   | 84,052                     |
| BECKER AND DURSKI TURF GOODS                          | 5,890                      |
| BETTER BUSINESS BUREAU INC                            | 6,810                      |
| BLUEGRASS STATE GAMES                                 | 12,000                     |
| BLUEGRASS TOMORROW INC                                | 3,500                      |
| BOYLE CO COMMUNITY DEV COUNCIL                        | 3,000                      |
| C & S H INC   | 9,287                      |
| CABBAGE PATCH   | 41,250                     |
| CHARITY GALLOPALOOZA                                  | 5,000                      |
| COMMERCE LEXINGTON                                    | 3,250                      |
| CREATIVE ALLIANCE                                     | 543,735                    |
| DIVERSITY ADVENTURES INC                              | 5,981                      |
| DOUBLE DOG DARE LLC                                   | 8,457                      |
| DOWNTOWN LEXINGTON CORP                               | 6,800                      |
| GREATER LOUISVILLE ALLIANCE OF BLACK SCHOOL EDUCATORS | 3,000                      |
| HEALING PLACE   | 25,000                     |
| HOME BUILDERS ASSOCIATION OF LOUISVILLE               | 26,505                     |
| HOSPICE OF THE BLUEGRASS                              | 5,000                      |
| HOST COMMUNICATIONS INC                               | 214,194                    |
| IMPRINT PUBLICATIONS                                  | 10,300                     |
| KENTUCKY BOURBON FESTIVAL                             | 6,000                      |
| KENTUCKY CHRISTMAS CHORUS                             | 7,500                      |
| KENTUCKY DERBY FESTIVAL INC                           | 15,500                     |
| KY HIGH SCHOOL ATHLETIC ASSN                          | 48,000                     |
| LADYFINGERS   | 5,281                      |
| LEADERSHIP LOUISVILLE FOUNDATION                      | 10,045                     |
| LEXINGTON FAMILY MAGAZINE                             | 5,517                      |
| LEXINGTON FORUM INC                                   | 3,750                      |
| LEXINGTON PHILHARMONIC SOCIETY                        | 4,000                      |
| LEXINGTON PROFESSIONAL BASEBALL CO LLC                | 43,950                     |
| LEXINGTON SISTER CITIES COMMISSION                    | 5,000                      |
| LEXINGTON SPORTS VENTURES LLC                         | 6,426                      |
| LIBRARY FOUNDATION                                    | 5,000                      |
| LINCOLN FOUNDATION                                    | 5,000                      |
| LOUISVILLE DEFENDER NEWSPAPER INC                     | 4,000                      |
| LOUISVILLE METRO COMMUNITY ACTION PARTNERSHIP         | 5,500                      |
| LOUISVILLE REGIONAL SCIENCE FAIRS INC                 | 5,000                      |
| MARYHURST   | 5,000                      |
| MEADE COUNTY FAIR INC                                 | 5,000                      |
| MORRIS ADVERTISING SPECIALTIES INC                    | 9,066                      |
| NELLIGAN SPORTS MARKETING INC                         | 8,925                      |
| PRESBYTERIAN COMMUNITY CENTER                         | 10,500                     |
| PROJECT WARM  | 5,000                      |
| SHOBE, DEBORAH R                                      | 3,145                      |

Edgar Filing: E ON AG - Form U-13-60

| NAME OF PAYEE                          | DIRECT COSTS CHARGED |
|--|----------------------|
| THE BROWN COMMUNITY DEVELOPMENT CENTER | 20,000               |
| W LOUISVILLE PERFORMING ARTS ACAD      | 5,000                |
| WKYT TV 27                             | 9,330                |
| YMCA BLACK ACHIEVERS                   | 3,000                |
| Various (155)                          | 147,402              |
| TOTAL                                  | 1,503,468            |



Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Miscellaneous General Expenses Account 930.2

Instruction:

Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses," classifying such expenses according to their nature. Payments and expenses permitted by Section 321 (b) (2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. SS441 (b) (2)) shall be separately classified.

| DESCRIPTION  |                             | AMOUNT           |                  |
|--------------|-----------------------------|------------------|------------------|
| 930201       | Misc. Corporate Exp.        |                  |                  |
|              | Executive Mgmt Exp. Telecom | 13,614           |                  |
|              | Business License Fees       | 113,082          | 126,696          |
| 930202       | Association Dues            | 945,543          | 945,543          |
| 930203       | Research Work               | 117,250          |                  |
|              | EPRI Dues                   | 1,058,889        | 1,176,139        |
| 930207       | Other Misc. Gen Exp.        |                  |                  |
|              | Advertising                 |                  |                  |
|              | Employee Expenses           | 14,829           |                  |
|              | Postage/Freight             | 1,778            |                  |
|              | Misc.                       | 845              | 17,452           |
| 930209       | Nondeductible Penalties     | 746              | 746              |
| 930250       | Broker Fees                 | 0                | 0                |
| 930902       | Association Dues Indirect   | 41,160           | 41,160           |
| <b>TOTAL</b> |                             | <b>2,307,736</b> | <b>2,307,736</b> |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Rents Account 931

Instruction:

Provide a listing of the amount included in Account 931, "Rents," classifying such expenses by major groupings of property, as defined in the account definition of the Uniform System of Accounts.

| <b>DESCRIPTION</b>        | <b>DIRECT<br/>COSTS<br/>CHARGED</b> |
|---------------------------|-------------------------------------|
| 931004 Rents Corporate HQ | 0                                   |
| 931100 Rents Other        | 0                                   |
| <b>TOTAL</b>              | <b>0</b>                            |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Taxes Other Than Income Taxes Account 408

Instructions:

Provide an analysis of Account 408, "Taxes Other Than Income Taxes." Separate the analysis into two groups: (1) Other than U.S. Government taxes, and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts thereof. Provide a subtotal for each class of tax.

| Kind Of Tax                             | Amount           |
|---|------------------|
| <i>Other Than U.S. Government Taxes</i> |                  |
| Real and Personal Prop Tax              | 0                |
| <b>TOTAL</b>                            | <b>0</b>         |
| <i>U.S. Government Taxes</i>            |                  |
| Federal Unemployment Insurance          | 176,518          |
| Federal Old Age Benefits Tax            | 5,331,695        |
| <b>TOTAL</b>                            | <b>5,508,213</b> |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Donations Account 426.1

Instructions:

Provide a listing of the amount included in Account 426.1, "Donations," classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be in lieu of details.

| Name of Recipient                           | Amount  |
|---|---------|
| Cardinal Athletic Fund                      | 5,600   |
| Churchill Downs Inc.                        | 3,850   |
| The Daniel Pitino Foundation                | 3,800   |
| Family and Childrens Counseling Center      | 5,000   |
| Frazier Historical Arms Museum              | 3,750   |
| God's Pantry Food Bank                      | 4,200   |
| Greater Louisville, Inc.                    | 99,000  |
| Juvenile Diabetes Research Foundation Int'l | 12,311  |
| Kentuckiana Minority Business Council       | 17,500  |
| Kentucky Christmas Chorus                   | 7,500   |
| Kentucky Museum of Arts and Design Inc.     | 3,850   |
| Louisville Ballet                           | 3,000   |
| Louisville Baseball Club Inc.               | 27,128  |
| National Kidney Foundation of KY            | 8,000   |
| Project Warm                                | 84,000  |
| University of Louisville                    | 21,067  |
| Valley Village Trustees                     | 3,290   |
| Others (68)                                 | 55,804  |
|   | 368,650 |

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Other Deductions Account 426.5

Instructions:

Provide a listing of the amount included in Account 426.5, "Other Deductions," classifying such expenses according to their nature.

| Description  | Name of Payee | Amount            |
|--|---------------|-------------------|
| 426501, 426591 Other Deductions                              |               |                   |
| Project Engineering Expenses                                 | Various       | 0                 |
| Advertising  | Various       | 29,462            |
| Sales and Promotion Expense                                  | Various       | 0                 |
| Lease/Rental   | Various       | 111,511           |
| Office Supplies and Materials/Postage/Freight                | Various       | 42,094            |
| Dues and Subscriptions                                       | Various       | 47,689            |
| Permits and Licenses   | Various       | 1,472             |
| Contributions  | Various       | 0                 |
| Education and Training Course Fees/Tuition                   | Various       | 10,555            |
| Labor/Burdens  | Various       | -493              |
| Officer Gross-Up Taxes                                       | Various       | 72,769            |
| Pension  | Various       | 51,402            |
| Employee Meals/Travel Expenses/Telecom                       | Various       | 507,334           |
| Miscellaneous Employee Expenses                              | Various       | 202,119           |
| Miscellaneous  | Various       | 427,607           |
|  |               | <u>1,503,521</u>  |
| 426507 Senior Management Pension                             | Various       | 0                 |
| 426512 Expatriate Benefits                                   | Various       | -3,985            |
| 426513 Other Officer Benefits                                | Various       | 145,513           |
| 426515, 426596 Sr Mgt Long-Term Incent (Direct and Indirect) | Various       | 156,063           |
| 426502, 426592 SERP (Direct and Indirect)                    |               |                   |
| Officers' Supplemental Early Retirement Program              | Various       | 3,358,967         |
| 426504, 426594 Officers' TIA (Direct and Indirect)           |               |                   |
| Officers' Team Incentive Award                               | Various       | 2,446,295         |
| 426505, 426595 Off Long-Term Incent (Direct and Indirect)    |               |                   |
| Officers' Long-Term Incentives                               | Various       | 5,314,592         |
|  | TOTAL 426.5   | <u>12,920,966</u> |

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Schedule XVIII Notes to Statement of Income

See Notes to Financial Statements on pages 16-17.

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Organization Chart

|                     |   |
|---------------------|---|
| Victor A. Staffieri | Chairman, Chief Executive Officer and President |
| John R. McCall      | Vice President and Secretary                    |
| S. Bradford Rives   | Chief Financial Officer                         |
| Daniel K. Arbough   | Treasurer                                       |

---

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

#### METHODS OF ALLOCATION

**Information Systems Chargeback Rates** Rates for services, including but not limited to software, consulting, mainframe and personal computer services, are based on the costs of labor, materials and information services overheads related to the provision of each service. Such rates are applied based on the specific equipment employed and the measured usage of services by Client entities. These rates will be determined annually based on actual experience and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes.

**Number of Customers Ratio** A ratio based on the number of retail electric and/or gas customers. This ratio will be determined annually based on the actual number of customers at the end of the previous calendar year and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes. In some cases, the ratio may be calculated based on the type of customer class being served (i.e. Residential, Commercial or Industrial).

**Number of Employees Ratio** A ratio based on the number of employees benefiting from the performance of a service. This ratio will be determined annually based on actual counts of applicable employees at the end of the previous calendar year and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes. In some cases, a two-step assignment methodology is utilized to properly allocate SERVCO employee costs to the proper legal entity.

**Departmental Charge Ratio** A specific SERVCO department ratio based upon various factors such as labor hours, labor dollars, departmental or Client entity headcount, etc. The departmental charge ratio typically applies to indirectly attributable costs (defined in Section V, Cost Apportionment Methodology) such as departmental administrative, support, and/or material and supply costs that benefit more than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of product or service being performed and are documented and monitored by the PUHCA Compliance Manager on a monthly basis to ensure consistent and proper application and periodic true-up, where necessary, for SERVCO billing purposes.

**Electric Peak Load Ratio** Based on the sum of the monthly electric maximum system demands for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio will be determined annually, or at such time as may be required due to a significant change.

**Revenue Ratio** Based on the sum of the revenue at the end of each month for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affected affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

**Payroll Ratio** Based on the sum of the payroll at the end of each month for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affected affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

**Total Assets Ratio** Based on the total assets at year end for the preceding year, the numerator of which is for an operating company or affected affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes. In the event of joint ownership of a specific asset, asset ownership percentages will be utilized to assign costs.

**Contract Ratio** Based on the sum of the physical amount (i.e. tons of coal, cubic feet of natural gas) of the contract for both coal and natural gas at the end of each month for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affected affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

**Shareholder Ratio** Based on the average number of preferred shareholders at the end of each month for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company



or an affected affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined on an annual basis, or at such time as may be required due to significant changes.

**Number of Meters Ratio** Ratio based on the number or types of meters being utilized by all levels of customer classes within the system for the immediately preceding twelve consecutive calendar months. The numerator is equal to the number of meters for a specific Client entity and the denominator is equal to such expenditures for all applicable client entities. This ratio will be determined annually, or at such time as may be required due to significant change.

**Number of Transactions Ratio** Based on the sum of transactions occurring in the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affected would affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined on a monthly basis, or at such time as may be required due to significant changes. For example, services with regard to Procurement and Major Contracts define a transaction as the number of contracts negotiated. Services pertaining to Materials Logistics would define the transaction as the number of items ordered, picked and disbursed out of the warehouse. Services pertaining to Accounts Payable would define the transaction as the number of invoices processed. Similar to the Departmental Charge Ratio, defined previously, the PUHCA Compliance Manager is responsible for maintaining and monitoring specific product/service methodology documentation and periodic true-up requirements for actual transactions related to SERVCO billings.

**Retail Revenue Ratio** Based on utility revenues, excluding energy marketing revenues, for the immediate preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affiliate and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to a significant change.

**Energy Marketing Ratio** Based on the absolute value of equivalent megawatt hours purchased or sold for the immediate preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affiliate and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined annually, or at such time as may be required due to a significant change.

**Regulatory Mandate Ratios** Based on Federal or state mandated percentage allocations based on regulatory proceedings and requirements. These ratios are typically developed in concert with regulatory authorities representing the results of merger or joint asset ownership negotiations and are supported by specific contracts regarding legal entity allocation requirements. Contract terms and periodic updates, if necessary, are maintained and monitored by the PUHCA Compliance Manager and SERVCO departmental management.

**Project Ratio** Based on the total costs for any departmental or affiliate project at the end of each month for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company or an affected affiliate company and the denominator of which is for all operating companies and affected affiliate companies. This ratio will be determined on a monthly basis, or at such time as may be required due to significant changes.

**Transportation Resource Management System Chargeback Rate** Rates for use of transportation equipment are based on the costs associated with providing and operating transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment and the measured usage of services by Client entities. These rates will be determined annually based on actual experience and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes.

**Non-Fuel Material and Services Expenditures** A ratio based on non-fuel material and services expenditures, net of reimbursements, for the immediately preceding twelve consecutive calendar months. The numerator is equal to such expenditures for a specific Client entity and/or line-of-business as appropriate and the denominator is equal to such expenditures for all applicable Client entities. This ratio will be determined annually, or at such time as may be required due to a significant change.

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.  
For the Year Ended December 31, 2004

Annual Statement of Compensation for Use of Capital Billed

Not Applicable

Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT OF LG&E ENERGY SERVICES INC.

Signature Clause

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized.

LG&E ENERGY SERVICES INC.  
(Name of Reporting Company)

By:

/s/ S. BRADFORD RIVES

---

(Signature of Signing Officer)

S. Bradford Rives  
Chief Financial Officer  
(Printed Name and Title of Signing Officer)

Date: April 29, 2005

## Edgar Filing: E ON AG - Form U-13-60

ANNUAL REPORT TO THE SEC OF LG&E ENERGY SERVICES INC.

For the Year Ended December 31, 2004

### Supplemental Service Transactions among the E.ON System and LG&E Energy Group

**Instructions:**

As stated in the merger order.

Services rendered by members of the E.ON Group or the Powergen Group companies included the assessment and structural check on existing stack design; mercury testing; fan implosion studies; assessing of reheaters; PowerTube licenses and support; meetings to Alstom Baden; bio solids co-firing study; review of offer on renovation of hydro power station; strategy development for coal boilers and combustion turbines; various monitoring and specification and technical studies, acceptance, balance and catalyst performance testing; and training in assessing and preventing boiler tube failures at the LG&E Energy Group Plant facilities.

Further services included educational seminars for professional development of LG&E Energy Group employees and cost transfer of bank fees.

Costs incurred by E.ON AG on behalf of the LG&E Energy Group companies included software implementation, license and support fees; membership subscription fees, and excess liability insurance. These costs were passed through at cost with no mark-up.

In addition, several E.ON AG and/or E.ON UK plc (formerly Powergen UK plc) employees were assigned to work in the US for the LG&E Energy Group. These salaries and expenses of the expatriate employees were reimbursed to E.ON AG and E.ON UK plc. Individual job descriptions are listed below.

Services rendered by individual LG&E Energy Group companies were mainly labor and general expenses of individuals doing specialized work for the E.ON/Powergen system companies. This work included regulatory filings, engineering policy, best practices purchasing, auditing, human resources and investment/shareholder expenses. Also, several employees were assigned to work in Germany at E.ON AG, in Sweden at Sydkraft AB, and in UK at E.ON UK plc. Those salaries and expenses were reimbursed by E.ON AG, Sydkraft AB and E.ON UK plc. Several items were expenses of E.ON AG, Sydkraft AB and E.ON UK plc and were paid by the LG&E Energy Group companies, with reimbursement from each company.

Descriptions are on each line item below.

| Description of Services                                      | Amount     | Service Performed By: | Service Received By:          | LG&E Energy Group Employees Performing Service |            |
|--|------------|-----------------------|-------------------------------|--|------------|
|  |            |                       |                               | Absolute                                       | Percentage |
| Trimble County: Assess Existing Stack Design                 | \$ 5,000   | Power Technology      | Louisville Gas & Electric Co. |  |            |
| OLVMS Brown CT11 Monitoring (4th Qtr.)                       | \$ 2,726   | Power Technology      | Kentucky Utilities Company    |  |            |
| Resolution of GT-24 Control Issues                           | \$ 18,037  | Power Technology      | Kentucky Utilities Company    |  |            |
| Final Stage Payment Mill Creek Milestone 3 Reheater Elements | \$ 292,000 | Power Technology      | Louisville Gas & Electric Co. |  |            |
| Trimble County Unit II Phase 2: specification                | \$ 9,962   | Power Technology      | Louisville Gas & Electric Co. |  |            |
| Trimble County II Completion of Technical Specification      | \$ 28,204  | Power Technology      | Louisville Gas & Electric Co. |  |            |
| Trimble County: Option Paper for Use of Unit 2 Flue          | \$ 6,400   | Power Technology      | Louisville Gas & Electric Co. |  |            |
| Trimble County: Structural Check on Existing Stack           | \$ 12,800  | Power Technology      | Louisville Gas & Electric Co. |  |            |
| Wilson Online Vibration Monitoring Payment 1&2 of 3          | \$ 10,650  | Power Technology      | Western Kentucky Energy       |  |            |

Edgar Filing: E ON AG - Form U-13-60

**LG&E Energy Group  
Employees Performing  
Service**

|   |           |                  |                               |
|---|-----------|------------------|-------------------------------|
| Coleman FGD 3 Fan Implosion Study                   | \$ 8,200  | Power Technology | Western Kentucky Energy       |
| Trimble County Unit II Boiler Island Gril Design    | \$ 47,904 | Power Technology | Louisville Gas & Electric Co. |
| Ghent PS Boiler 3 Creep Life Assessment of Reheater | \$ 3,307  | Power Technology | Kentucky Utilities Company    |
| Boiler Tube Failure Performance Review Jan-Mar 2003 | \$ 2,637  | Power Technology | Louisville Gas & Electric Co. |
|   | \$ 2,637  | Power Technology | Kentucky Utilities Company    |
| EW Brown OLVMS 2004                                 | \$ 1,539  | Power Technology | Kentucky Utilities Company    |
| Powertube Licenses & Support Sep 2004 August 2005   | \$ 14,625 | Power Technology | Louisville Gas & Electric Co. |
|   | \$ 14,625 | Power Technology | Kentucky Utilities Company    |
| Wilson Online Vibration Monitoring Payment 3 of 3   | \$ 5,330  | Power Technology | Western Kentucky Energy       |

Edgar Filing: E ON AG - Form U-13-60

|   |  |  |  |
|---|--|--|--|
| EW Brown Meetings to Alstom Baden blade life issues         | \$ 4,606   | Power Technology   | Kentucky Utilities Company   |
| Increasing SO2 Removal Efficiency Trimble County Unit 2     | \$ 11,413  | E.ON Engineering GmbH  | Louisville Gas & Electric Co.  |
| Mill Creek/Ghent SCR Performance Tests                      | \$ 404,858   | E.ON Engineering GmbH  | Louisville Gas & Electric Co.  |
| Bio Solids Co-Firing Study                                  | \$ 9,750   | E.ON Engineering GmbH  | Louisville Gas & Electric Co.  |
| NOX Second Acceptance Testing                               | \$ 85,139  | E.ON Engineering GmbH  | Louisville Gas & Electric Co.  |
| Trimble County, Catalyst Testing                            | \$ 16,000  | E.ON Engineering GmbH  | Louisville Gas & Electric Co.  |
| Review: Renovation, Modernization, Upgrading                | \$ 39,910  | E.ON Engineering GmbH  | Louisville Gas & Electric Co.  |
| Trimble County 2, Increasing SO2 Removal Efficiency         | \$ 10,000  | E.ON Engineering Ohio  | Louisville Gas & Electric Co.  |
| Trimble County 1, SO3 Testing                               | \$ 28,860  | E.ON Engineering Ohio  | Louisville Gas & Electric Co.  |
| Mill Creek Unit 3, Catalyst Sample Testing                  | \$ 16,000  | E.ON Engineering Ohio  | Louisville Gas & Electric Co.  |
| Wilson Catalyst Testing                                     | \$ 24,000  | E.ON Engineering Ohio  | Western Kentucky Energy  |
| Seminar Membership HR and CLO Concours                      | \$ 3,004   | E.ON Academy   | LG&E Energy Group  |
| Seminar Senior Management Program (IMD)                     | \$ 3,042   | E.ON Academy   | LG&E Energy Group  |
| Seminar General Management EL                               | \$ 4,809   | E.ON Academy   | LG&E Energy Group  |
| Seminar Essentials of Leadership                            | \$ 2,050   | E.ON Academy   | LG&E Energy Group  |
| Seminar Strategic Decision Making                           | \$ 530   | E.ON Academy   | LG&E Energy Group  |
| Seminar Decision Making for Leaders                         | \$ 2,000   | E.ON Academy   | LG&E Energy Group  |
| Seminar E.ON Finance for Non-Finance Executives             | \$ 10,000  | E.ON Academy   | LG&E Energy Group  |
| Seminar Understanding Energy Markets                        | \$ 993   | E.ON Academy   | LG&E Energy Group  |
| TREMA License Fees, Implementation Costs, and Support       | \$ 347,830   | E.ON AG  | LG&E Capital Corp.   |
| Risk Management Services (RMS) Maintenance Fees             | \$ 2,062<br>\$ 1,031<br>\$ 1,031                               | E.ON AG<br>E.ON AG<br>E.ON AG                                  | LG&E Capital Corp.<br>LG&E Energy<br>Marketing-Continuing<br>LG&E Energy<br>Marketing-Discontinued   |
| Mercer Software   | \$ 1,959<br>\$ 1,766<br>\$ 266<br>\$ 167<br>\$ 7,933<br>\$ 179 | E.ON AG<br>E.ON AG<br>E.ON AG<br>E.ON AG<br>E.ON AG<br>E.ON AG | Louisville Gas and Electric Company<br>Kentucky Utilities Company<br>LG&E Energy<br>Marketing-Continuing<br>LG&E Power Inc.<br>LG&E Capital Corp.<br>Western Kentucky Energy Corp. |
| E.ON Public Key Infrastructure Setup and Annual Fee 2004    | \$ 55,897  | E.ON AG  | LG&E Capital Corp.   |
| CERA Retainer Services Cost Transfer                        | \$ 27,500  | E.ON AG  | LG&E Capital Corp.   |
| Bank Fees   | \$ 101,443   | E.ON NA  | LG&E Capital Corp.   |
| Excess Liability Insurance paid for on behalf of LGE Energy | \$ 185,777<br>\$ 151,555                                       | E.ON NA<br>E.ON NA   | Louisville Gas and Electric Company  |

Edgar Filing: E ON AG - Form U-13-60

|    |        |         |  |
|----|--------|---------|--|
| \$ | 68,444 | E.ON NA | Kentucky Utilities Company                       |
| \$ | 9,778  | E.ON NA | LG&E Capital Corp.                               |
| \$ | 73,333 | E.ON NA | LG&E Power Inc.<br>Western Kentucky Energy Corp. |

|                                  |             |    |         |             |   |
|----------------------------------|-------------|----|---------|-------------|---|
| Expatriate Salaries and Expenses | Engineering | \$ | 162,873 | E.ON UK plc | Louisville Gas and Electric Company       |
|                                  |             | \$ | 297,808 | E.ON UK plc | Kentucky Utilities Company                |
|                                  |             | \$ | 451,210 | E.ON UK plc | LG&E Capital Corp.                        |
|                                  |             | \$ | 778     | E.ON UK plc | LG&E Power Development Inc. (Tiger Creek) |
|                                  |             | \$ | 94,068  | E.ON UK plc | LG&E Power Inc.                           |
|                                  |             | \$ | 97,454  | E.ON UK plc | Western Kentucky Energy Corp.             |

|                                  |                 |    |        |             |                    |
|----------------------------------|-----------------|----|--------|-------------|--------------------|
| Expatriate Salaries and Expenses | Human Resources | \$ | 48,714 | E.ON UK plc | LG&E Capital Corp. |
|----------------------------------|-----------------|----|--------|-------------|--------------------|

|                                  |                    |    |        |             |                    |
|----------------------------------|--------------------|----|--------|-------------|--------------------|
| Expatriate Salaries and Expenses | Accounting/Finance | \$ | 43,586 | E.ON UK plc | LG&E Capital Corp. |
|----------------------------------|--------------------|----|--------|-------------|--------------------|

|                                  |            |    |        |             |                    |
|----------------------------------|------------|----|--------|-------------|--------------------|
| Expatriate Salaries and Expenses | Transition | \$ | 22,798 | E.ON UK plc | LG&E Capital Corp. |
|----------------------------------|------------|----|--------|-------------|--------------------|

|                                  |     |    |        |             |                    |
|----------------------------------|-----|----|--------|-------------|--------------------|
| Expatriate Salaries and Expenses | OPC | \$ | 16,379 | E.ON UK plc | LG&E Capital Corp. |
|----------------------------------|-----|----|--------|-------------|--------------------|

|                                  |                    |    |        |         |                                     |
|----------------------------------|--------------------|----|--------|---------|-------------------------------------|
| Expatriate Salaries and Expenses | Accounting/Finance | \$ | 43,403 | E.ON AG | Louisville Gas and Electric Company |
|                                  |                    | \$ | 43,403 | E.ON AG | Kentucky Utilities Company          |
|                                  |                    | \$ | 49,410 | E.ON AG | LG&E Capital Corp.                  |
|                                  |                    | \$ | 14,468 | E.ON AG | Western Kentucky Energy             |

Edgar Filing: E ON AG - Form U-13-60

|  |  |             |                           |                    |   |       |
|--|--|-------------|---------------------------|--------------------|---|-------|
| Expatriate Salaries and Expenses   | Trading Controls                       | \$ 33,796   | E.ON AG                   | LG&E Capital Corp. |   |       |
| Legal  |  | \$ 361      | LG&E Energy Services Inc. | E.ON UK plc        | 1 | 0.03% |
| Expatriate Salaries and Expenses   | Engineering Policy                     | \$ 458      | LG&E Energy Services Inc. | E.ON UK plc        | 1 | 0.03% |
| Expatriate Salaries and Expenses   | Legal                                  | \$ 99,241   | LG&E Energy Services Inc. | E.ON UK plc        | 1 | 0.03% |
| Investment/Shareholder Relations<br>(Expenses Paid by LG&E Services for E.ON UK plc Computershare)               |  | \$ 17,246   | LG&E Energy Services Inc. | E.ON UK plc        |   |       |
| Tax Refunds (Expatriate assignments)<br>(Tax Refunds due to LG&E Services from E.ON UK plc)                      |  | \$ 6,367    | LG&E Energy Services Inc. | E.ON UK plc        |   |       |
| Cash Management (TREMA project)  |  | \$ 10,013   | LG&E Energy Services Inc. | E.ON AG            | 2 | 0.06% |
| Tax Refunds (Expatriate assignments)<br>(Tax Refunds due to E.ON AG from LG&E Services)                          |  | \$ (12,450) | LG&E Energy Services Inc. | E.ON AG            | 0 | 0.00% |
| Human Resources<br>(Expenses Paid by LG&E Services for E.ON AG)  |  | \$ (641)    | LG&E Energy Services Inc. | E.ON AG            | 1 | 0.03% |
| Miscellaneous Expenses of E.ON Employee<br>stationed in Louisville Expenses Paid by LG&E<br>Services for E.ON AG |  | \$ 5,980    | LG&E Energy Services Inc. | E.ON AG            |   |       |
| Expatriate Salaries and Expenses   | Sr. Buyer/International Best Practices | \$ 52,232   | LG&E Energy Services Inc. | E.ON AG            | 1 | 0.03% |
| Expatriate Salaries and Expenses   | IT Auditor                             | \$ 197,705  | LG&E Energy Services Inc. | E.ON AG            | 1 | 0.03% |
| Expatriate Salaries and Expenses   | Human Resources                        | \$ 470,366  | LG&E Energy Services Inc. | Sydskraft AB       | 1 | 0.03% |
| Total LG&E Energy Group Employees engaged in rendering services:   |  |             |                           |                    | 9 | 0.26% |



QuickLinks

[Schedule I Comparative Balance Sheet](#)

[Schedule II Service Company Property](#)

[Schedule III Accumulated Provision for Depreciation and Amortization of Service Company Property](#)

[Schedule IV Investments](#)

[Schedule V Accounts Receivable from Associate Companies](#)

[Analysis of Convenience or Accommodation Payments](#)

[Convenience payments result primarily from the following items](#)

[Schedule VI Fuel Stock Expenses Undistributed](#)

[Schedule VII Stores Expense Undistributed](#)

[Schedule VIII Miscellaneous Current and Accrued Assets](#)

[Schedule X Research, Development or Demonstration Expenditures](#)

[Schedule XI Proprietary Capital](#)

[Schedule XII Long Term Debt](#)

[Schedule XIII Current and Accrued Liabilities](#)

[Schedule XIV Notes to Financial Statements](#)

[Schedule XV Statement of Income](#)

[Associate Companies Account 457](#)

[Non-associate Companies Account 458](#)

[Schedule XVI Analysis of Charges for Service Associate and Non-associate Companies](#)

[Schedule XVII Schedule of Expense Distribution by Department or Service Function](#)

[Departmental Analysis of Salaries Account 920](#)

[Outside Services Employed Account 923](#)

[Employee Pensions and Benefits Account 926](#)

[General Advertising Expenses Account 930,1](#)

[Miscellaneous General Expenses Account 930,2](#)

[Rents Account 931](#)

[Taxes Other Than Income Taxes Account 408](#)

[Donations Account 426,1](#)

[Other Deductions Account 426,5](#)

[Schedule XVIII Notes to Statement of Income](#)

[Organization Chart](#)

[METHODS OF ALLOCATION](#)

[Annual Statement of Compensation for Use of Capital Billed](#)

[Signature Clause](#)

[Supplemental Service Transactions among the E.ON System and LG&E Energy Group](#)