



LG&E Energy LLC
220 West Main Street (40202)
P.O. Box 32030
Louisville, Kentucky 40232

March 31, 2004

VIA HAND DELIVERY

Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

MAR 31 2004

PUBLIC SERVICE
COMMISSION

RE: An Adjustment of the Electric Rates, Terms, and Conditions of Kentucky Utilities Company – Case No. 2003-00434 [On-Going Update to Question No. 44 of the First Data Request of Commission Staff - Dated December 19, 2003]

Dear Mr. Dorman:

On January 16, 2004 and February 27, 2004, in the aforementioned proceeding, Kentucky Utilities Company (“KU”) filed detailed monthly income statements in response to Question No. 44 of the First Data Request of Commission Staff, dated December 19, 2003 (“the Commission’s First Data Request”) (“Question No. 44”). These statements are in addition to those filed on December 29, 2003, with KU’s Application, Testimony, and Filing Requirement, Volume 2 of 6, at Tab No. 37.

Pursuant to the directive of Question No. 44, KU hereby files, and attached hereto are, and original and ten (10) copies of its detailed monthly income statements for February 2004. Pursuant to the directives of Question No. 44, KU will file on-going updates as the information becomes available.

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

KENTUCKY UTILITIES COMPANY

CASE NO. 2003-00434

**Updated Monthly Response to First Data Request of Commission Staff Dated
December 19, 2003**

Updated Response Filed March 31, 2004

Question No. 44

Responding Witness: Valerie L. Scott

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

A-44. See attached.

KENTUCKY UTILITIES COMPANY

Financial Reports

February 29, 2004

Prepared by Accounting and Financial Reporting

KENTUCKY UTILITIES COMPANY
COMPARATIVE STATEMENT OF INCOME
FEBRUARY 29, 2004

	CURRENT MONTH		
	THIS YEAR AMOUNT	LAST YEAR AMOUNT	INCREASE OR DECREASE AMOUNT %
Electric Operating Revenues.....	80,372,843.68	73,592,034.18	6,780,809.50 9.21
Rate Refunds.....	745,198.37	(2,552,891.00)	3,298,089.37 (129.19)
Total Operating Revenues.....	<u>81,118,042.05</u>	<u>71,039,143.18</u>	<u>10,078,898.87</u> <u>14.19</u>
Operating Expenses			
Fuel.....	22,493,305.11	21,005,660.79	1,487,644.32 7.08
Power Purchased.....	14,630,345.16	15,123,552.83	(493,207.67) (3.26)
Other Operation Expenses.....	11,911,955.71	13,628,631.49	(1,716,675.78) (12.60)
Maintenance.....	3,771,690.47	20,802,084.25	(17,030,393.78) (81.87)
Depreciation.....	7,990,301.35	7,673,109.99	317,191.36 4.13
Amortization Expense.....	364,040.98	290,465.08	73,575.90 25.33
Regulatory Credits.....	(123,100.02)	(3,929,295.77)	3,806,195.75 (96.87)
Taxes			
Federal Income.....	-	-	-
State Income.....	-	-	-
Deferred Federal Income - Net.....	-	-	-
Deferred State Income - Net.....	-	-	-
Federal Income - Estimated.....	5,103,325.94	(4,190,897.89)	9,294,223.83 (221.77)
State Income - Estimated.....	1,462,953.44	(1,179,309.52)	2,642,262.96 (224.05)
Property and Other.....	1,391,577.01	1,497,907.87	(106,330.86) (7.10)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	108,502.00	130,766.67	(22,264.67) (17.03)
Total Operating Expenses.....	<u>69,104,897.15</u>	<u>70,852,675.79</u>	<u>(1,747,778.64)</u> <u>(2.47)</u>
Net Operating Income.....	12,013,144.90	186,467.39	11,826,677.51 6,342.49
Other Income Less Deductions			
Interest and Dividend Income.....	18,202.62	54,529.86	(36,327.24) (66.62)
Other Income Less Deductions.....	407,163.47	2,442,303.17	(2,035,139.70) (83.33)
AFUDC - Equity.....	150,971.84	53,655.08	97,316.76 181.37
Total Other Income Less Deductions.....	<u>576,337.93</u>	<u>2,550,488.11</u>	<u>(1,974,150.18)</u> <u>(77.40)</u>
Income Before Interest Charges.....	12,589,482.83	2,736,955.50	9,852,527.33 359.98
Interest on Long Term Debt.....	1,702,452.81	3,984,388.54	(2,281,935.73) (57.27)
Amortization of Debt Expense - Net.....	89,029.40	100,431.39	(11,401.99) (11.35)
Other Interest Expenses.....	277,341.42	435,528.41	(158,186.99) (36.32)
AFUDC - Borrowed Funds.....	(30,029.90)	(9,347.33)	(20,682.57) 221.27
Total Interest Charges.....	<u>2,038,793.73</u>	<u>4,511,001.01</u>	<u>(2,472,207.28)</u> <u>(54.80)</u>
Net Inc Before Cumulative Effect of Acctg Chg.....	10,550,689.10	(1,774,045.51)	12,324,734.61 (694.72)
Cumulative Effect of Accounting Chg Net of Tax.....	-	2,256,965.62	(2,256,965.62) -
Net Income.....	10,550,689.10	(4,031,011.13)	14,581,700.23 (361.74)
Preferred Dividend Requirements.....	187,998.38	188,001.64	(3.26) -
Earnings Available for Common.....	<u>10,362,690.72</u>	<u>(4,219,012.77)</u>	<u>14,581,703.49</u> <u>(345.62)</u>

KENTUCKY UTILITIES COMPANY
COMPARATIVE STATEMENT OF INCOME
FEBRUARY 29, 2004

	YEAR TO DATE		
	THIS YEAR AMOUNT	LAST YEAR AMOUNT	INCREASE OR DECREASE AMOUNT %
Electric Operating Revenues.....	173,720,356.32	165,446,292.26	8,274,064.06 5.00
Rate Refunds.....	700,227.34	(4,553,202.00)	5,253,429.34 (115.38)
Total Operating Revenues.....	<u>174,420,583.66</u>	<u>160,893,090.26</u>	<u>13,527,493.40</u> <u>8.41</u>
Operating Expenses			
Fuel	48,473,385.49	49,008,683.80	(535,298.31) (1.09)
Power Purchased.....	29,777,132.96	33,172,516.35	(3,395,383.39) (10.24)
Other Operation Expenses.....	24,377,452.77	26,249,012.01	(1,871,559.24) (7.13)
Maintenance.....	6,829,919.11	24,228,813.62	(17,398,894.51) (71.81)
Depreciation.....	15,947,869.38	15,283,968.66	663,900.72 4.34
Amortization Expense.....	728,081.96	581,448.27	146,633.69 25.22
Regulatory Credits.....	(246,200.04)	(10,384,315.02)	10,138,114.98 (97.63)
Taxes			
Federal Income.....	-	-	-
State Income.....	-	-	-
Deferred Federal Income - Net.....	-	-	-
Deferred State Income - Net.....	-	-	-
Federal Income - Estimated.....	12,774,265.25	4,894,780.50	7,879,484.75 160.98
State Income - Estimated.....	3,661,956.05	1,374,651.89	2,287,304.16 166.39
Property and Other.....	2,788,060.66	2,833,124.01	(45,063.35) (1.59)
Loss (Gain) from Disposition of Utility Plant.....	-	-	-
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	217,004.00	207,163.34	9,840.66 4.75
Total Operating Expenses.....	<u>145,328,927.59</u>	<u>147,449,847.43</u>	<u>(2,120,919.84)</u> <u>(1.44)</u>
Net Operating Income.....	29,091,656.07	13,443,242.83	15,648,413.24 116.40
Other Income Less Deductions			
Interest and Dividend Income.....	68,741.99	91,925.54	(23,183.55) (25.22)
Other Income Less Deductions.....	606,820.93	3,436,363.02	(2,829,542.09) (82.34)
AFUDC - Equity.....	315,538.95	104,973.51	210,565.44 200.59
Total Other Income Less Deductions.....	<u>991,101.87</u>	<u>3,633,262.07</u>	<u>(2,642,160.20)</u> <u>(72.72)</u>
Income Before Interest Charges.....	30,082,757.94	17,076,504.90	13,006,253.04 76.16
Interest on Long Term Debt.....	3,218,916.99	5,194,061.02	(1,975,144.03) (38.03)
Amortization of Debt Expense - Net.....	177,129.84	200,863.78	(23,733.94) (11.82)
Other Interest Expenses.....	489,213.62	919,563.16	(430,349.54) (46.80)
AFUDC - Borrowed Funds.....	(62,763.90)	(18,287.61)	(44,476.29) 243.20
Total Interest Charges.....	<u>3,822,496.55</u>	<u>6,296,200.35</u>	<u>(2,473,703.80)</u> <u>(39.29)</u>
Net Inc Before Cumulative Effect of Acctg Chg.....	26,260,261.39	10,780,304.55	15,479,956.84 143.59
Cumulative Effect of Accounting Chg Net of Tax.....	-	6,051,798.81	(6,051,798.81) -
Net Income.....	26,260,261.39	4,728,505.74	21,531,755.65 455.36
Preferred Dividend Requirements.....	375,998.38	376,001.64	(3.26) -
Earnings Available for Common.....	<u>25,884,263.01</u>	<u>4,352,504.10</u>	<u>21,531,758.91</u> <u>494.70</u>

KENTUCKY UTILITIES COMPANY
COMPARATIVE STATEMENT OF INCOME
FEBRUARY 29, 2004

	YEAR ENDED CURRENT MONTH		
	THIS YEAR AMOUNT	LAST YEAR AMOUNT	INCREASE OR DECREASE AMOUNT %
Electric Operating Revenues.....	908,586,695.20	895,744,084.10	12,842,611.10 1.43
Rate Refunds.....	(3,280,851.15)	11,374,302.00	(14,655,153.15) (128.84)
Total Operating Revenues.....	<u>905,305,844.05</u>	<u>907,118,386.10</u>	<u>(1,812,542.05)</u> (0.20)
Operating Expenses			
Fuel.....	265,399,439.56	261,205,438.44	4,194,001.12 1.61
Power Purchased.....	136,667,184.72	162,186,838.04	(25,519,653.32) (15.73)
Other Operation Expenses.....	144,021,068.59	152,109,629.10	(8,088,560.51) (5.32)
Maintenance.....	42,871,616.92	77,107,875.78	(34,236,258.86) (44.40)
Depreciation.....	97,903,777.88	92,693,151.92	5,210,625.96 5.62
Amortization Expense.....	4,887,131.96	3,268,574.79	1,618,557.17 49.52
Regulatory Credits.....	(1,184,579.53)	(10,384,315.02)	9,199,735.49 (88.59)
Taxes			
Federal Income.....	31,082,439.70	38,518,668.89	(7,436,229.19) (19.31)
Slate Income.....	11,457,237.57	10,492,859.36	964,378.21 9.19
Deferred Federal Income - Net.....	14,385,149.52	3,466,551.66	10,918,597.86 314.97
Deferred State Income - Net.....	1,742,010.60	1,547,330.01	194,680.59 12.58
Federal Income - Estimated.....	7,879,484.75	(2,413,263.54)	10,292,748.29 (426.51)
State Income - Estimated.....	2,287,304.16	(720,320.73)	3,007,624.89 (417.54)
Property and Other.....	15,843,376.45	15,204,803.58	638,572.87 4.20
Loss (Gain) from Disposition of Utility Plant.....	(286,165.87)	(277,302.50)	(8,863.37) 3.20
Loss (Gain) from Disposition of Allowances.....	1,231,152.16	207,163.34	1,023,988.82 494.29
Accretion Expense.....	776,187,629.14	804,213,683.12	(28,026,053.98) (3.48)
Total Operating Expenses.....	<u>129,118,214.91</u>	<u>102,904,702.98</u>	<u>26,213,511.93</u> 25.47
Net Operating Income.....	666,488.28	600,757.44	65,730.84 10.94
Other Income Less Deductions			
Interest and Dividend Income.....	4,540,484.39	12,327,635.99	(7,787,151.60) (63.17)
Other Income Less Deductions.....	1,247,676.91	190,578.35	1,057,098.56 554.68
AFUDC - Equity.....	6,454,649.58	13,118,971.78	(6,664,322.20) (50.80)
Total Other Income Less Deductions.....	<u>135,572,864.49</u>	<u>116,023,674.76</u>	<u>19,549,189.73</u> 16.85
Income Before Interest Charges.....	18,060,641.31	21,382,079.07	(3,321,437.76) (15.53)
Interest on Long Term Debt.....	1,074,117.25	1,230,181.37	(156,064.12) (12.69)
Amortization of Debt Expense - Net.....	4,123,901.56	4,659,325.35	(535,423.79) (11.49)
Other Interest Expenses.....	(494,260.25)	(53,232.65)	(441,027.60) 828.49
AFUDC - Borrowed Funds.....	22,764,399.87	27,218,353.14	(4,453,953.27) (16.36)
Total Interest Charges.....	<u>112,808,464.62</u>	<u>88,805,321.62</u>	<u>24,003,143.00</u> 27.03
Net Inc Before Cumulative Effect of Acctg Chg.....	(131,971.81)	6,051,798.81	(6,183,770.62) -
Cumulative Effect of Accounting Chg. Net of Tax.....	112,940,436.43	82,753,522.81	30,186,913.62 36.48
Net Income.....	<u>2,256,003.31</u>	<u>2,256,006.69</u>	<u>(3.38)</u> -
Preferred Dividend Requirements.....	110,684,433.12	80,497,516.12	30,186,917.00 37.50
Earnings Available for Common.....	<u>1,171,569.19</u>	<u>1,458,490.57</u>	<u>(286,921.38)</u> -

KENTUCKY UTILITIES COMPANY
ANALYSIS OF RETAINED EARNINGS
FEBRUARY 29, 2004

	Year to Date				Year Ended Current Month	
	Unappropriated		Appropriated		Total	
	Retained Earnings	Retained Earnings	Retained Earnings	Retained Earnings	Retained Earnings	Undistributed Subsidiary Earnings
Retained Earnings and Undistributed Earnings						
Balance Beginning of Period.....	581,519,194.52	114,735.25	581,633,929.77	9,526,459.00	500,121,034.98	6,239,183.68
Net Income To Date.....	26,260,261.39		26,260,261.39		112,940,436.43	
Adjust for Equity in Subsidiary Earnings for Year						
-EE Inc.....	(408,937.00)		(408,937.00)	408,937.00	(3,696,212.32)	3,696,212.32
Dividends Rec'd Current Year						
-EE Inc.....	-		-	-	-	-
Preferred Stock Dividends.....	(375,998.38)		(375,998.38)		(2,256,003.31)	
Common Stock Dividends.....	-		-		-	
Balance End of Period.....	<u>606,994,520.53</u>	<u>114,735.25</u>	<u>607,109,255.78</u>	<u>9,935,396.00</u>	<u>607,109,255.78</u>	<u>9,935,396.00</u>
Combined Retained Earnings	12 MONTHS 02/29/04	12 MONTHS 02/28/03				
Retained Earnings Beginning of Period.....	506,360,218.66	425,862,702.54				
Add Net Income.....	112,940,436.43	82,753,522.81				
Subtotal.....	<u>619,300,655.09</u>	<u>508,616,225.35</u>				
Deduct						
Dividends on Preferred Stock.....	2,256,003.31	2,256,006.69				
Dividends on Common Stock.....	-	-				
Perferred Stock Redemption Exp and Other.....	-	-				
Retained Earnings End of Period.....	<u>617,044,651.78</u>	<u>506,360,218.66</u>				

KENTUCKY UTILITIES COMPANY
COMPARATIVE BALANCE SHEETS AS OF FEBRUARY 29, 2004 AND 2003

ASSETS AND OTHER DEBITS	THIS YEAR	LAST YEAR	LIABILITIES AND OTHER CREDITS	THIS YEAR	LAST YEAR
Utility Plant			Capitalization		
Utility Plant at Original Cost.....	3,611,057,102.38	3,317,497,210.58	Common Stock.....	308,139,977.56	308,139,977.56
Less Reserves for Depreciation & Amortization.....	1,631,803,014.23	1,551,149,180.18	Common Stock Expense.....	(321,288.87)	(321,288.87)
Total.....	1,979,254,088.15	1,766,348,030.40	Paid-In Capital.....	15,000,000.00	15,000,000.00
Investments - At Cost			Other Comprehensive Income.....	(5,971,974.10)	(10,462,375.00)
Nonutility Property-Less Reserve.....	896,509.14	896,919.56	Retained Earnings.....	607,109,255.78	500,121,034.98
Investments in Subsidiary Companies.....	11,231,196.00	7,534,983.68	Unappropriated Undistributed Subsidiary Earnings.....	9,935,396.00	6,239,183.68
Investments in KU-R.....	3,000,000.00	3,000,000.00	Total Common Equity.....	933,891,366.37	818,716,532.35
Ohio Valley Electric Corporation.....	250,000.00	250,000.00	Preferred Stock.....	39,726,894.58	39,726,894.58
Other.....	543,562.16	726,999.66	First Mortgage Bonds.....	389,830,000.00	422,830,000.00
Special Funds.....	5,423,105.23	5,396,974.89	Other Long-Term Debt.....	-	-
Total.....	21,344,372.53	17,805,877.79	LT Notes Payable to Associated Companies.....	333,000,000.00	-
Current and Accrued Assets			Long-Term Debt Marked to Market.....	14,602,789.00	17,274,937.00
Cash.....	7,854,517.97	4,081,511.42	Total Long-Term Debt.....	737,432,789.00	440,104,937.00
Special Deposits.....	142,141.31	102,929.26	Total Capitalization.....	1,711,051,049.95	1,298,548,363.93
Temporary Cash Investments.....	-	-	Current and Accrued Liabilities		
Accounts Receivable-Less Reserve.....	100,152,437.53	12,778,089.43	Advances from Associated Companies.....	-	-
Notes Receivable from Assoc. Companies.....	-	-	Long-Term Debt Due in 1 Year.....	-	-
Notes Receivable from KU-R.....	11,858,073.34	38,634,405.00	Notes Payable.....	67,730,541.95	131,789,649.91
Accounts Receivable from Assoc Companies.....	-	-	Accounts Payable.....	52,427,682.22	68,524,980.09
Materials & Supplies-At Average Cost			Accounts Payable to Associated Companies.....	20,987,634.07	18,872,905.89
Fuel.....	38,613,732.27	36,809,786.31	Customer Deposits.....	13,708,106.27	12,197,721.26
Plant Materials & Operating Supplies.....	22,139,822.06	21,679,460.30	Taxes Accrued.....	26,298,763.63	8,024,590.18
Stores Expense.....	5,067,409.08	5,020,634.92	Interest Accrued.....	4,526,271.15	3,503,484.24
Allowance Inventory.....	7,366,232.51	66,351.90	Dividends Declared.....	(3.24)	-
Prepayments.....	6,100,104.00	5,004,602.57	Misc. Current & Accrued Liabilities.....	6,252,188.69	8,566,020.12
Miscellaneous Current & Accrued Assets.....	606,749.26	3,719,399.90	Total.....	191,931,184.74	313,479,351.69
Total.....	199,901,219.33	139,671,054.87	Deferred Credits and Other		
Deferred Debits and Other			Accumulated Deferred Income Taxes.....	327,917,678.92	321,981,826.59
Unamortized Debt Expense.....	4,427,175.12	4,963,922.95	Investment Tax Credit.....	5,516,591.16	8,059,692.00
Unamortized Loss on Bonds.....	10,375,993.09	9,308,008.48	Regulatory Liabilities.....	50,309,284.33	54,730,748.00
Accumulated Deferred Income Taxes.....	66,596,286.18	80,797,844.61	Customer Advances for Construction.....	1,574,816.94	1,506,657.85
Deferred Regulatory Assets.....	62,683,522.70	74,393,677.62	Asset Retirement Obligations.....	19,914,915.50	19,011,553.34
Other Deferred Debits.....	44,173,594.86	42,835,187.07	Other Deferred Credits.....	12,758,860.64	2,785,163.65
Total.....	188,256,571.95	212,298,640.73	Misc. Long-Term Liabilities.....	4,728,350.08	56,128,197.92
Total Assets and Other Debits.....	2,388,756,251.96	2,136,123,603.79	Misc. Long-Term Liab. Due to Assoc. Co.....	-	-
			Accum Provision for Post-Retirement Benefits.....	63,053,519.70	59,892,048.82
			Total.....	485,774,017.27	524,095,888.17
			Total Liabilities and Other Credits.....	2,388,756,251.96	2,136,123,603.79

KENTUCKY UTILITIES COMPANY
STATEMENT OF CAPITALIZATION AND SHORT-TERM DEBT
FEBRUARY 29, 2004

	AUTHORIZED SHARES	ISSUED & OUTSTANDING SHARES	AMOUNT	CAPITAL & S/T DEBT	PERCENT OF TOTAL CAPITAL
Common Equity					
Common Stock - Without Par.....	80,000,000	37,817,878	308,139,977.56 (321,288.87)		
Common Stock Expense.....			15,000,000.00		
Paid-In Capital.....			(5,971,974.10)		
Other Comprehensive Income.....			607,109,255.78		
Retained Earnings.....			9,935,396.00		
Unappropriated Undistributed Subsidiary Earnings..			933,891,366.37	52.50	54.58
Total Common Equity.....			<u>933,891,366.37</u>		
Preferred Stock, Cumulative	5,300,000				
4 3/4% Series.....		200,000	20,000,000.00		
6.53% Series.....		200,000	20,000,000.00 (273,105.42)		
Preferred Stock Expense.....					
Total Preferred Stock.....			<u>39,726,894.58</u>	2.23	2.32
Total Stockholders' Equity.....			<u>973,618,260.95</u>	54.73	56.90
Long-Term Debt					
FM Series P, 7.92%.....			53,000,000.00		
FM Series R, 7.55%.....			50,000,000.00		
FM Series S, 5.99%.....			36,000,000.00		
PCB 9 DUE 12/01/23 5 3/4%.....			50,000,000.00		
PCB 10 DUE 11/01/24 Variable%.....			54,000,000.00		
PCB 11 DUE 5/1/23 Variable%.....			12,900,000.00		
PCB 12 DUE 2/1/32 Variable%.....			20,930,000.00		
PCB 13 DUE 2/1/32 Variable%.....			2,400,000.00		
PCB 14 DUE 2/1/32 Variable%.....			7,400,000.00		
PCB 15 DUE 2/1/32 Variable%.....			7,200,000.00		
PCB 16 DUE 10/1/32 Variable%.....			96,000,000.00		
Long-Term Debt Marked to Market.....			14,602,789.00		
Total Long-Term Debt.....			<u>404,432,789.00</u>	22.74	23.64
LT Notes Payable to Associated Companies.....			<u>333,000,000.00</u>	18.72	19.46
Total Capitalization.....			<u>1,711,051,049.95</u>	96.19	100.00
Notes Payable to Associated Companies.....			<u>67,730,541.95</u>	3.81	
Total Capitalization and Short-Term Debt.....			<u><u>1,778,781,591.90</u></u>	<u>100.00</u>	

KENTUCKY UTILITIES COMPANY
TRIAL BALANCE - GENERAL LEDGER
FEBRUARY 29, 2004

<u>Account - Subsidiary Account</u>	<u>Balance</u> <u>Subsidiary Account</u>	<u>Balance as Shown</u> <u>On Balance Sheet</u>
UTILITY PLANT		
At Original Cost.....	3,611,057,102.38	3,611,057,102.38
Reserves for Depreciation and Amortization.....		(1,631,803,014.23)
Accum Depreciation - Steam Power Generation.....	(827,104,556.65)	
Accum Depreciation - Hydro Power Generation.....	(8,518,272.27)	
Accum Depreciation - Other Power Generation.....	(62,614,231.10)	
Accum Depreciation - Transmission.....	(266,505,419.39)	
Accum Depreciation - Distribution.....	(400,884,912.45)	
Accum Depreciation - General.....	(26,510,352.48)	
Transportation.....	(22,233,034.00)	
Retirement - RWIP.....	(2,311,412.38)	
Amortization of Plant		
Limited - Term Plant.....	(15,120,823.51)	
INVESTMENTS - AT COST.....		21,344,372.53
Nonutility Property - less reserve (\$130,579.92).....	896,509.14	
Investments in Subsidiary Companies.....	11,231,196.00	
Investments in KU-R.....	3,000,000.00	
Ohio Valley Electric Corporation.....	250,000.00	
Other.....	543,562.16	
Special Funds.....	244.76	
OMU-Interest on Reserve, New.....	782,399.55	
OMU-R&I on Maintenance Reserve.....	644,771.11	
OMU-R&I on Additions and Replacements.....	120,000.00	
OMU-R&I on Operations.....	538,258.48	
OMU-R&I Interest on Purchase Power.....	252,000.00	
OMU-Purchase Power, Coal Reserve.....	3,085,431.33	
CASH.....		7,854,517.97
Cash Clearing.....	(18,998,118.40)	
Cash Accounts.....	26,852,636.37	
SPECIAL DEPOSITS.....		142,141.31
Special Deposits.....	142,141.31	
ACCOUNTS RECEIVABLE - LESS RESERVE.....		100,152,437.53
Working Funds.....	94,873.08	
Customers-Active.....	58,069,594.56	
Wholesale Sales.....	2,313,425.03	
Transmission Sales.....	5,836,490.98	
Unbilled Revenues.....	31,617,000.00	
PC Purchase Program.....	203,236.46	
Pitcairn Receivable.....	170,959.85	
Officers and Employees.....	(155.58)	
Billed Projects.....	(1,273.64)	
Unbilled Projects.....	4,506.92	
Damage Claims.....	87,085.07	
Tax Refunds.....	290,786.46	
Insurance Claims.....	17,943.99	
Miscellaneous.....	2,120,929.96	
Uncollectible Accounts - Accrual.....	(110,407.31)	
Uncollectible Accounts - Charged Off.....	229,180.63	
Uncollectible Accounts - Recovery.....	(118,773.32)	
Uncollectible Accounts - Beginning Balance.....	(520,000.00)	
Uncollectible Accounts - LEM Reserve.....	(152,965.61)	
ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES.....		11,858,073.34
LG&E Energy Corp.....	11,858,073.34	

KENTUCKY UTILITIES COMPANY
TRIAL BALANCE - GENERAL LEDGER
FEBRUARY 29, 2004

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown On Balance Sheet</u>
FUEL.....		38,613,732.27
Coal 1,035,425 Tons @ \$34.85; MMBTU 25,066,747 @ 143.94¢.....	36,082,304.70	
Fuel Oil 2,962,839 Gallons @ 83.25¢.....	2,466,525.67	
Gas Pipeline 9,957 MCF @ \$6.52.....	64,901.90	
PLANT MATERIALS AND OPERATING SUPPLIES.....		22,139,822.06
Regular Materials and Supplies.....	22,024,554.29	
Limestone 21,197 Tons @ \$5.44.....	115,267.77	
STORES EXPENSE.....		5,067,409.08
Stores Expense Undistributed.....	5,067,409.08	
ALLOWANCE INVENTORY.....		7,366,232.51
Allowance Inventory.....	7,366,232.51	
PREPAYMENTS.....		6,100,104.00
Insurance.....	3,720,481.78	
Interest.....	1,628,301.74	
Company Owned Life Insurance.....	589,320.48	
Risk Management and Workers Compensation.....	75,000.00	
Option Premiums.....	87,000.00	
MISCELLANEOUS CURRENT ASSETS.....		606,749.26
Derivative Asset - Non-Hedging.....	606,749.26	
UNAMORTIZED DEBT EXPENSE.....		4,427,175.12
First Mortgage Bonds		
KU Series P 7.92%.....	135,267.48	
KU Series R 7.55%.....	386,362.53	
KU Series S 5.99%.....	70,138.18	
Pollution Control Bonds		
KU Series 9, 5 3/4%, Due 12/01/23.....	637,174.80	
KU Series 10, Variable%, Due 10/01/24.....	424,854.82	
KU Series 11, Variable%, Due 5/01/23.....	331,402.29	
KU Series 12, Variable%, Due 2/01/32.....	112,910.21	
KU Series 13, Variable%, Due 2/01/32.....	78,064.86	
KU Series 14, Variable%, Due 2/01/32.....	87,091.29	
KU Series 15, Variable%, Due 2/01/32.....	87,467.22	
KU Series 16, Variable%, Due 10/01/32.....	2,076,441.44	
UNAMORTIZED LOSS ON BONDS.....		10,375,993.09
Reacquired Debt.....	10,375,993.09	
ACCUMULATED DEFERRED INCOME TAXES.....		66,596,286.18
Federal.....	51,906,238.85	
State.....	14,690,047.33	
DEFERRED REGULATORY ASSET.....		62,683,522.70
VDT Expenses.....	24,491,715.66	
Asset Retirement Obligations.....	11,568,894.55	
FASB 109 - Deferred Taxes.....	25,047,599.00	
Pension FERC FAS 87 > Than Funding.....	1,083,368.46	
Other.....	491,945.03	
OTHER DEFERRED DEBITS.....		44,173,594.86
Long-Term Derivative Asset.....	12,222,703.00	
OMU Emission Allowance Inventory.....	261,151.68	
Other.....	31,689,740.18	
Total Assets and Other Debits.....	2,388,756,251.96	2,388,756,251.96

KENTUCKY UTILITIES COMPANY
TRIAL BALANCE - GENERAL LEDGER
FEBRUARY 29, 2004

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown On Balance Sheet</u>
COMMON EQUITY.....		933,891,366.37
Common Stock.....	308,139,977.56	
Common Stock Expense.....	(321,288.87)	
Paid-In Capital	15,000,000.00	
Other Comprehensive Income.....	(5,971,974.10)	
Retained Earnings	607,109,255.78	
Unappropriated Undistributed Subsidiary Earnings	9,935,396.00	
PREFERRED STOCK.....		39,726,894.58
Preferred Stock.....	40,000,000.00	
Preferred Stock Expense.....	(273,105.42)	
BONDS.....		389,830,000.00
First Mortgage Bonds		
KU Series P 7.92%.....	53,000,000.00	
KU Series R 7.55%.....	50,000,000.00	
KU Series S 5.99%.....	36,000,000.00	
Pollution Control Bonds		
KU Series 9, 5 3/4%, Due 12/01/23.....	50,000,000.00	
KU Series 10, Variable%, Due 10/01/24.....	54,000,000.00	
KU Series 11, Variable%, Due 05/01/23.....	12,900,000.00	
KU Series 12, Variable%, Due 2/01/32.....	20,930,000.00	
KU Series 13, Variable%, Due 2/01/32.....	2,400,000.00	
KU Series 14, Variable%, Due 2/01/32.....	7,400,000.00	
KU Series 15, Variable%, Due 2/01/32.....	7,200,000.00	
KU Series 16, Variable%, Due 10/01/32.....	96,000,000.00	
LT NOTES PAYABLE TO ASSOCIATED COMPANIES.....	333,000,000.00	333,000,000.00
LONG-TERM DEBT MARKED TO MARKET.....		14,602,789.00
Long-term Debt Marked to Market.....	14,602,789.00	
NOTES PAYABLE TO ASSOCIATED COMPANIES.....		67,730,541.95
Notes Payable to KU-R.....	3,000,000.00	
Notes Payable to Other.....	64,730,541.95	
ACCOUNTS PAYABLE.....		52,427,682.22
Regular.....	48,352,955.67	
Salaries and Wages Accrued.....	1,114,021.40	
Employee Withholdings Payable.....	19,291.55	
Tax Collections - Payable.....	2,941,413.60	
ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES.....		20,987,634.07
LG&E Energy Corp.....	20,987,634.07	
CUSTOMERS' DEPOSITS.....		13,708,106.27
Customers' Deposits.....	13,708,106.27	
TAXES ACCRUED.....		26,298,763.63
Taxes Accrued	26,298,763.63	
INTEREST ACCRUED.....		4,526,271.15
Interest on Long-Term Debt		
First Mortgage Bonds		
KU Series P 7.92%.....	1,224,300.00	
KU Series R 7.55%.....	943,750.06	
KU Series S 5.99%.....	269,550.00	

KENTUCKY UTILITIES COMPANY
TRIAL BALANCE - GENERAL LEDGER
FEBRUARY 29, 2004

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown On Balance Sheet</u>
INTEREST ACCRUED (Continued)		
Pollution Control Bonds		
KU Series 9, 5 3/4%, Due 12/01/23.....	718,750.06	
KU Series 10, Variable%, Due 10/01/24.....	42,723.25	
KU Series 11, Variable%, Due 05/01/23.....	6,127.46	
KU Series 12, Variable%, Due 2/01/32.....	12,489.39	
KU Series 13, Variable%, Due 2/01/32.....	1,432.13	
KU Series 14, Variable%, Due 2/01/32.....	4,415.77	
KU Series 15, Variable%, Due 2/01/32.....	4,296.41	
KU Series 16, Variable%, Due 10/01/32.....	63,786.67	
Other		
Interest Rate Swaps.....	(2,157,467.65)	
Customer Deposits.....	707,650.36	
Fidelia.....	2,684,467.24	
DIVIDENDS DECLARED.....		(3.24)
Preferred Stock.....	(3.24)	
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES.....		6,252,188.69
Vacation Pay Accrued.....	4,201,981.52	
Revenue Subject to Refund.....	(288,193.00)	
Escheated Deposits.....	117,308.02	
Franchise Fee Payable.....	1,953,254.07	
Derivative Liabilities - Non-Hedging.....	60,937.42	
Derivative Liabilities - Hedging.....	97,278.00	
Other.....	109,622.66	
ACCUMULATED DEFERRED INCOME TAXES.....		327,917,678.92
Federal.....	263,034,529.35	
State.....	64,883,149.57	
INVESTMENT TAX CREDIT.....		5,516,591.16
Job Development Credit.....	5,516,591.16	
REGULATORY LIABILITIES.....		50,309,284.33
Asset Retirement Obligations.....	1,204,124.33	
Deferred Taxes - FAS 109.....	49,105,160.00	
CUSTOMERS' ADVANCES FOR CONSTRUCTION.....		1,574,816.94
Line Extensions.....	703,682.31	
Other.....	871,134.63	
ASSET RETIREMENT OBLIGATIONS.....	19,914,915.50	19,914,915.50
OTHER DEFERRED CREDITS.....		12,758,860.64
Other Deferred Credits.....	11,873,819.24	
Clearing Accounts Transferred from Other Deferred Debits.....	885,041.40	
MISCELLANEOUS LONG-TERM LIABILITIES.....		4,728,350.08
Pension Payable.....	(4,448,810.32)	
Workers' Compensation.....	3,722,811.40	
Post Employment Benefits - FAS 112.....	5,454,349.00	
ACCUMULATED PROVISION FOR BENEFITS.....		63,053,519.70
Post Retirement Benefits - FAS 106.....	63,053,519.70	
Total Liabilities and Other Credits.....	2,388,756,251.96	2,388,756,251.96

KENTUCKY UTILITIES COMPANY
STATEMENT OF CASH FLOWS
FEBRUARY 29, 2004

	Year to Date	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income.....	26,260,261.39	4,728,505.74
Items not requiring cash currently:		
Depreciation and amortization.....	16,675,951.34	15,865,416.93
Deferred income taxes - net.....	63,066.80	-
Investment tax credit - net.....	(342,307.84)	(440,158.00)
Other.....	2,645,157.00	23,519,564.65
(Increase) decrease in certain net current assets:		
Accounts receivable.....	(65,737,597.10)	(16,625,433.82)
Materials and supplies.....	6,810,968.59	8,987,779.73
Accounts payable.....	(22,958,173.62)	(7,975,778.17)
Accrued taxes.....	17,496,618.16	3,080,462.14
Accrued interest.....	48,286.77	876,778.89
Prepayments and other.....	(1,642,358.41)	(257,097.15)
Other.....	(34,555,244.49)	(6,632,590.68)
Net cash provided from operating activities.....	<u>(55,235,371.41)</u>	<u>25,127,450.26</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction expenditures.....	(15,103,361.53)	(38,044,747.60)
Long term investment in securities.....	(482,031.86)	-
Net cash used for investing activities.....	<u>(15,585,393.39)</u>	<u>(38,044,747.60)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings from parent company.....	24,500,000.00	12,300,000.00
Long-term borrowings from parent company.....	50,000,000.00	-
Issuance of long-term debt.....	12,000.00	(25,197.09)
Payment of dividends.....	(564,001.62)	(564,001.64)
Net cash used for financing activities.....	<u>73,947,998.38</u>	<u>11,710,801.27</u>
NET INCREASE (DECREASE) IN CASH AND TEMP. CASH INVESTMENTS.....	3,127,233.58	(1,206,496.07)
CASH AND TEMPORARY CASH INVESTMENTS AT BEGINNING OF PERIOD.....	<u>4,869,425.70</u>	<u>5,390,936.45</u>
CASH AND TEMPORARY CASH INVESTMENTS AT END OF PERIOD.....	<u><u>7,996,659.28</u></u>	<u><u>4,184,440.38</u></u>

KENTUCKY UTILITIES COMPANY
ANALYSIS OF INTEREST CHARGES
FEBRUARY 29, 2004

	CURRENT MONTH		YEAR TO DATE		YEAR ENDED CURRENT MONTH	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
Interest On Long-Term Debt						
First Mortgage Bonds						
Series P 7.92%	349,800.00	349,800.00	699,600.00	699,600.00	4,197,600.00	4,197,600.00
Series P 8.55%	-	235,125.00	-	470,250.00	2,076,937.51	2,821,500.00
Series Q 6.32%	-	326,533.34	-	653,066.68	1,142,866.67	3,918,400.18
Series R 7.55%	314,583.33	314,583.34	629,166.67	629,166.68	3,775,000.07	3,775,000.00
Series S 5.99%	179,700.00	179,700.00	359,400.00	359,400.00	2,156,400.00	2,156,400.00
Loan Agreement - Poll. Control Bonds						
Series 1B (6.25%)	-	-	-	-	-	410,606.03
Series 2B (6.25%)	-	-	-	-	-	47,083.33
Series 3B (6.25%)	-	-	-	-	-	141,250.00
Series 4B (6.25%)	-	-	-	-	-	145,173.71
Series 8 (7.45%)	-	-	-	-	-	4,726,174.52
Series 9 (5 3/4%)	-	-	-	-	-	2,875,000.00
Series 10 (VARIABLE%)	239,583.33	239,583.34	479,166.67	479,166.68	2,875,000.07	2,875,000.00
Series 11 (VARIABLE%)	44,409.80	52,668.49	93,290.14	107,260.28	611,764.25	840,920.70
Series 12 (VARIABLE%)	10,069.17	11,276.75	21,378.17	25,459.58	129,617.60	187,282.91
Series 13 (VARIABLE%)	17,750.48	19,267.07	38,166.54	44,211.04	233,537.36	241,612.50
Series 14 (VARIABLE%)	2,035.41	2,209.32	4,376.47	5,069.59	26,779.25	27,705.21
Series 15 (VARIABLE%)	6,275.85	6,812.07	13,494.14	15,631.25	82,569.35	85,424.42
Series 16 (VARIABLE%)	6,106.23	6,627.95	13,129.43	15,208.77	80,337.74	83,115.64
Interest Rate Swaps	72,666.67	70,336.00	164,426.67	176,080.01	1,039,310.92	537,200.01
Marked to Market	(694,210.79)	(679,332.13)	(1,375,583.46)	(1,334,707.54)	(8,114,575.72)	(7,422,412.09)
Fidelia	-	2,849,198.00	(143,100.00)	2,849,198.00	796,779.00	1,587,042.00
	1,153,683.33	-	2,222,005.55	-	6,950,717.24	-
Total	1,702,452.81	3,984,388.54	3,218,916.99	5,194,061.02	18,060,641.31	21,382,079.07
Amortization of Debt Expense - Net						
Amortization of Debt Expense	21,571.40	26,217.39	42,214.84	52,435.78	276,208.84	344,609.04
Amort. of Loss on Reacquired Debt	67,458.00	74,214.00	134,915.00	148,428.00	797,908.41	885,572.33
Total	89,029.40	100,431.39	177,129.84	200,863.78	1,074,117.25	1,230,181.37
Other Interest Charges						
Note Payable	-	-	-	-	-	-
Customers' Deposits	54,985.41	51,685.56	117,494.63	110,519.51	681,238.64	619,828.38
Deferred Compensation	-	-	-	-	25,143.46	26,064.60
Interest on Debt to Associated Companies	53,030.29	116,644.51	109,155.72	255,713.19	1,063,603.89	1,202,698.49
Other Interest Expense	162,830.17	156,435.26	325,660.34	312,870.52	1,885,008.88	1,877,220.78
Intercompany Interest	-	-	-	-	-	-
Federal RAR Interest Reserve	-	-	-	-	-	-
AFUDC Borrowed Funds	(30,029.90)	(9,347.33)	(62,763.90)	(18,287.61)	(494,260.25)	(53,232.65)
Interest Costs from A/R Securitization	6,495.55	110,763.08	(63,097.07)	240,459.94	468,906.69	933,513.10
Total	247,311.52	426,181.08	426,449.72	901,275.55	3,629,641.31	4,606,092.70
Total Interest	2,038,793.73	4,511,001.01	3,822,496.55	6,296,200.35	22,764,399.87	27,218,353.14

**KENTUCKY UTILITIES COMPANY
ANALYSIS OF TAXES CHARGED
FEBRUARY 29, 2004**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	864,472.00	790,833.33	1,728,944.00	1,581,666.66
Unemployment.....	12,372.91	47,969.08	22,999.24	84,070.79
Federal Old Age and Survivors Insurance.....	382,232.10	534,188.79	771,117.42	917,553.22
Public Service Commission Fee.....	132,500.00	123,666.67	265,000.00	247,333.34
Federal Income.....	5,103,325.94	(4,190,897.89)	12,774,265.25	4,894,780.50
State Income.....	1,462,953.44	(1,179,309.52)	3,661,956.05	1,374,651.89
Miscellaneous.....	-	1,250.00	-	2,500.00
Total Charged to Operating Expense.....	7,957,856.39	(3,872,299.54)	19,224,281.96	9,102,556.40
Taxes Charged to Other Accounts.....	383,190.75	(1,831,375.70)	624,961.69	(4,413,142.50)
Taxes Accrued on Intercompany Accounts.....	(111,282.03)	(198,487.03)	(227,911.45)	(322,758.84)
Total Taxes Charged.....	8,229,765.11	(5,902,162.27)	19,621,332.20	4,366,655.06

ANALYSIS OF TAXES ACCRUED - ACCOUNT 236

<u>Kind of Taxes</u>	<u>Taxes Accrued</u>	<u>Accruals</u>	<u>Payments</u>	<u>Taxes Accrued</u>
	<u>At Beginning</u>	<u>To Date</u>	<u>To Date</u>	<u>At End</u>
	<u>Of Year</u>	<u>This Year</u>	<u>This Year</u>	<u>Of Month</u>
Property Taxes.....	794,037.65	1,737,972.00	751,012.05	1,780,997.60
Unemployment.....	24,893.79	19,344.22	296.96	43,941.05
Federal Old Age and Survivors.....	339,415.65	782,283.36	795,141.58	326,557.43
Public Service Commission Fee.....	-	265,000.00	-	265,000.00
Federal Income.....	1,608,513.45	12,779,867.40	-	14,388,380.85
State Income.....	5,488,494.97	3,663,408.22	-	9,151,903.19
Kentucky Sales and Use Tax.....	387,795.21	318,411.69	520,602.01	185,604.89
Miscellaneous.....	158,994.75	55,045.31	57,661.44	156,378.62
Totals.....	8,802,145.47	19,621,332.20	2,124,714.04	26,298,763.63

**KENTUCKY UTILITIES COMPANY
SUMMARY OF UTILITY PLANT
FEBRUARY 29, 2004**

UTILITY PLANT	NET BALANCE FIRST OF YEAR	ADDITIONS	RETIREMENTS	TRANSFER/ ADJUSTMENT	NET ADDITIONS	BALANCE TO DATE
Plant In Service						
Intangibles.....	21,842,489.14	-	-	-	-	21,842,489.14
Steam Production.....	1,274,269,933.82	1,859,687.95	(278,851.37)	-	1,580,836.58	1,275,850,770.40
Hydro Production.....	10,769,212.06	-	-	-	-	10,769,212.06
Other Production.....	356,416,865.98	-	-	(483,226.36)	(483,226.36)	355,933,639.62
Transmission.....	479,884,826.17	1,274,032.85	(4,554.81)	-	1,269,478.04	481,154,304.21
Distribution.....	945,835,243.45	14,206,540.80	(314,440.13)	-	13,892,100.67	959,727,344.12
General.....	80,411,284.73	3,044.73	-	-	3,044.73	80,414,329.46
Transportation.....	23,749,238.51	-	-	-	-	23,749,238.51
Total Electric Plant In Service.....	3,193,179,093.86	17,343,306.33	(597,846.31)	(483,226.36)	16,262,233.66	3,209,441,327.52
Plant Purchased or Sold.....	(34,152.61)	-	-	-	-	(34,152.61)
Total Plant.....	3,193,144,941.25	17,343,306.33	(597,846.31)	(483,226.36)	-	3,209,407,174.91
Construction Work In Progress.....	403,511,569.42	(1,861,641.95)	-	-	-	401,649,927.47
Total Utility Plant at Original Cost.....	3,596,656,510.67	15,481,664.38	(597,846.31)	(483,226.36)	-	3,611,057,102.38

RESERVE FOR DEPRECIATION OF UTILITY	NET BALANCE FIRST OF YEAR	ACCRUAL	RETIREMENTS	COST OF REMOVAL	SALVAGE	OTHERS CREDITS	BALANCE TO DATE
Plant In Service							
Steam Production.....	821,567,230.02	5,827,331.12	(278,851.37)	(11,153.12)	-	-	827,104,556.65
Hydro Production.....	8,490,631.49	27,640.78	-	-	-	-	8,518,272.27
Other Production.....	60,609,356.69	2,004,874.41	-	-	-	-	62,614,231.10
Transmission.....	264,091,654.23	2,379,345.81	(4,554.81)	37,891.94	1,082.23	(0.01)	266,505,419.39
Distribution.....	396,642,726.06	4,890,773.50	(314,440.13)	294,925.72	18,763.30	(647,836.00)	400,884,912.45
General.....	25,603,140.99	907,211.49	-	-	-	-	26,510,352.48
Transportation.....	22,030,214.38	202,819.62	-	-	-	-	22,233,034.00
Total Reserve For Depreciation Of Utility Plant In Service.....	1,599,034,953.86	16,239,996.73	(597,846.31)	321,664.54	19,845.53	(647,836.01)	1,614,370,778.34
Retirement of Work in Progress.....	3,569,209.82	-	-	(1,501,156.00)	27,364.68	215,993.88	2,311,412.38
Subtotal.....	1,602,604,163.68	16,239,996.73	(597,846.31)	(1,179,491.46)	47,210.21	(431,842.13)	1,616,682,190.72
Intangibles.....	13,929,044.82	657,269.54	-	-	-	(28,488.51)	14,557,825.85
Leaseholds.....	463,696.73	70,812.42	-	-	-	28,488.51	562,997.66
Total Reserve For Depreciation and Amortization - Utility Plant In Service.....	1,616,996,905.23	16,968,078.69	(597,846.31)	(1,179,491.46)	47,210.21	(431,842.13)	1,631,803,014.23
Utility Plant at Original Cost Less Reserve For Depreciation and Amortization.....	1,979,659,605.44						1,979,254,088.15