LG&E ENERGY

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

February 21, 2005

***VIA HAND DELIVERY***

RECEIVED

FEB 21 2005

PUBLIC SERVICE COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

**Re: PowerGen plc, LG&E Energy Corp., Louisville Gas & Electric Company, and Kentucky Utilities Company (*Case No. 2000-095*)**
***and***
**E.ON AG, PowerGen plc, LG&E Energy Corp., Louisville Gas & Electric Company, and Kentucky Utilities Company (*Case No. 2001-104*)**

Dear Ms. O'Donnell:

Pursuant to the Commission's Order in Case No. 2000-095, the Companies do hereby file their response for Kentucky Utilities Company ("KU") to *Summary of Findings, No. 8* and *Appendix B, Reporting Requirements to be filed Quarterly, No. 3, Case No. 2000-095*. An original and three (3) copies of this response are enclosed. This response was filed separately with the Commission's Rates and Tariffs Division on February 21, 2005.

By letter dated February 14, 2005, the Companies announced that these KU quarterly Twelve-Month Ended Income Statements and Balance Sheets, on a Kentucky Jurisdictional and Other Jurisdictional operations basis, would be delayed. These statements are attached hereto.

Please confirm your receipt of this filing by placing the File Stamp of your Office with date received on the extra copy and returning it to me in the enclosed envelope.

Should you have any questions regarding the information filed herewith, please contact me at 502-627-4110 or contact Roger Hickman at 502-627-4031.

Sincerely yours,

John Wolfram
Manager, Regulatory Affairs

Enclosures

Cc: Mr. Richard G. Raff, Office of the General Counsel
Mr. Isaac Scott, Financial Analysis Division
Ms. Joyce Spear, Rates and Tariffs Division

# KENTUCKY UTILITIES COMPANY

Balance Sheet
At December 31, 2004
Assets and Other Debits

| Title of Account | No. | Total Kentucky Utilities | KU Retail Jurisdictional | Other Jurisdictional |
|---|---|---|---|---|
| Column A | Col. B | Column C | Column D | Column E |
| **Utility Plant** | | | | |
| Utility Plant | 101-106 | $ 3,571,166,222 | $ 3,100,365,563 | $ 470,800,659 |
| Plus: Construction Work in Progress | 107 | 140,982,970 | 127,566,791 | 13,416,179 |
| Total Utility Plant | | $ 3,712,149,192 | $ 3,227,932,354 | $ 484,216,838 |
| Less: Accumulated Provision for Depreciation | 108,111 | 1,681,813,237 | 1,449,489,841 | 232,323,396 |
| Net Utility Plant | | $ 2,030,335,956 | $ 1,778,442,513 | $ 251,893,443 |
| **Other Property and Investments** | | | | |
| Non-Utility Property | 121 | $ 1,027,089 | $ - | $ 1,027,089 |
| Less: Accum Prov for Depr and Amortization | 122 | 130,922 | - | 130,922 |
| Investment in Subsidiary Companies | 123.1 | 13,631,471 | - | 13,631,471 |
| Non-Current Portion of Allowances | 158.1 | - | - | - |
| Other Investments | 124 | 500,215 | - | 500,215 |
| Special Funds | 125-128 | 5,450,439 | - | 5,450,439 |
| Total Other Property and Investments | | $ 20,478,292 | $ - | $ 20,478,292 |
| **Current and Accrued Assets** | | | | |
| Cash | 131 | $ 4,344,012 | $ 3,819,777 | $ 524,235 |
| Special Deposits | 132-134 | 142,985 | 125,730 | 17,255 |
| Working Funds | 135 | 94,673 | 83,248 | 11,425 |
| Temporary Cash Investments | 136 | - | - | - |
| Customer Accounts Receivable | 142 | 60,634,566 | 41,208,678 | 19,425,888 |
| Other Accounts Receivable | 143 | 5,046,105 | 4,437,141 | 608,964 |
| Less: Accum Prov for Uncollectable Accts-Credit | 144 | 622,966 | 543,457 | 79,509 |
| Notes Receivable from Associated Companies | 145 | - | | - |
| Accounts Receivable from Associated Companies | 146 | 199,703 | - | 199,703 |
| Fuel | 151 | 52,248,632 | 45,021,079 | 7,227,553 |
| Plant Materials and Operating Supplies | 154 | 22,573,864 | 19,532,775 | 3,041,089 |
| Allowances | 158.1 | 3,710,299 | 3,192,241 | 518,058 |
| Less: Non-Current Portion of Allowances | 158.1 | - | - | - |
| Stores Expense Undistributed | 163 | 5,397,804 | 4,670,627 | 727,177 |
| Prepayments | 165 | 6,199,919 | 5,426,345 | 773,574 |
| Interest and Dividends Receivable | 171 | 15,000 | 13,190 | 1,810 |
| Accrued Utility Revenues | 173 | 47,507,000 | (8,585,000) | 56,092,000 |
| Miscellaneous Current Assets -- Mark to Market | 174 | - | - | - |
| Total Current and Accrued Assets | | $ 207,491,597 | $ 118,402,374 | $ 89,089,223 |
| **Deferred Debits** | | | | |
| Unamortized Debt Expense | 181 | $ 4,732,447 | $ 4,161,335 | $ 571,112 |
| Unrecovered Plant and Regulatory Costs | 182 | - | - | - |
| Other Regulatory Assets | 182.3 | 79,971,943 | 72,787,030 | 7,184,913 |
| Preliminary Survey and Inventory | 183 | - | - | - |
| Clearing Accounts | 184 | 580,986 | 516,345 | 64,641 |
| Miscellaneous Deferred Debits | 186 | 36,732,079 | 28,994,062 | 7,738,017 |
| Unamortized Loss on Re-Acquired Debt | 189 | 11,369,948 | 9,997,822 | 1,372,126 |
| Accumulated Deferred Income Taxes | 190 | 54,918,233 | 46,932,573 | 7,985,660 |
| Total Deferred Debits | | $ 188,305,636 | $ 163,389,167 | $ 24,916,468 |
| Total Assets and Other Debits | | $ 2,446,611,480 | $ 2,060,234,054 | $ 386,377,426 |

# KENTUCKY UTILITIES COMPANY

Balance Sheet
At December 31, 2004
Liabilities and Other Credits

| Title of Account<br>Column A | No.<br>Col. B | Total Kentucky Utilities<br>Column C | KU Retail Jurisdictional<br>Column D | Other JurMsdMctMonal<br>Column E |
|---|---|---|---|---|
| **Proprietary Capital** | | | | |
| Common Stock Issued | 201 | $ 308,139,978 | $ 270,818,063 | $ 37,321,915 |
| Preferred Stock Issued | 204 | 40,000,000 | $ 35,155,200 | 4,844,800 |
| Premium on Capital Stock | 207 | - | - | - |
| Paid In Capital | 208-211 | 15,000,000 | 13,183,200 | 1,816,800 |
| Derivative Cumulative Effect | 214200 | - | - | - |
| Capital Stock Expense | 214 | (594,394) | (522,401) | (71,993) |
| Retained Earnings | 215-216 | 647,299,790 | 568,898,840 | 78,400,950 |
| Unappropriated Undistributed Subsidiary Earnings | 216.1 | 12,085,671 | - | 12,085,671 |
| Total Proprietary Capital | | $ 1,021,931,044 | $ 887,532,902 | $ 134,398,142 |
| **Long Term Debt** | | | | |
| Bonds | 221 | $ 385,030,000 | $ 338,395,166 | $ 46,634,834 |
| Long Term Debt Marked to Market | 221200 | 8,180,817 | 7,189,956 | 990,861 |
| Long Term Debt To Associated Companies | 233006 | 258,000,000 | 226,751,040 | 31,248,960 |
| Other Long Term Debt | 224 | - | - | - |
| Unamortized Premium on Long Term Debt | 225 | - | - | - |
| Total Long Term | | $ 651,210,817 | $ 572,336,162 | $ 78,874,655 |
| **Other Non-Current Liabilities** | | | | |
| Accumulated Provision for Property Insurance | 228.1 | $ - | $ - | $ - |
| Accumulated Provision for Injuries and Damages | 228.2 | - | - | - |
| Accumulated Provision for Pensions and Benefits | 228.3 | 86,977,107 | 77,300,034 | 9,677,073 |
| Accumulated Miscellaneous Operating Provision | 228.4 | - | - | - |
| Total Other Non-Current Liabilities | | $ 86,977,107 | $ 77,300,034 | $ 9,677,073 |
| **Current and Accrued Liabilities** | | | | |
| Notes Payable | 231 | $ - | $ - | $ - |
| Accounts Payable | 232 | 74,699,277.34 | 66,388,236 | 8,311,041 |
| Notes Payable to Associated Companies | 233 | 34,820,000 | 30,602,602 | 4,217,398 |
| Accounts Payable to Associated Companies | 234 | 33,033,678 | - | 33,033,678 |
| Customer Deposits | 235 | 14,998,572 | 14,314,820 | 683,752 |
| Taxes Accrued | 236 | 8,137,951 | 7,018,248 | 1,119,704 |
| Interest Accrued | 237 | 5,788,973 | 5,087,813 | 701,160 |
| Dividends Declared | 238 | 188,000 | 165,229 | 22,771 |
| Matured Long Term Bonds/LTD Due in 1 Year | 239 | 75,000,000 | - | 75,000,000 |
| Tax Collections Payable | 241 | 3,185,936 | 2,652,077 | 533,859 |
| Miscellaneous Current and Accrued Liabilities | 242 | 7,692,624 | 6,836,743 | 855,881 |
| Total Current and Accrued Liabilities | | $ 257,545,012 | $ 133,065,768 | $ 124,479,245 |
| **Deferred Credits** | | | | |
| Customer Advances for Construction | 252 | $ 1,611,500 | $ 1,596,053 | $ 15,448 |
| Accumulated Deferred Investment Tax Credits | 255 | 3,805,051 | 3,183,040 | 622,011 |
| Other Deferred Credits | 253 | 9,221,485 | 8,343,777 | 877,708 |
| Other Regulatory Liabilities | 254 | 46,829,542 | 41,619,287 | 5,210,255 |
| Asset Retirement Obligation | 230 | 20,953,441 | 18,027,712 | 2,925,729 |
| Miscellaneous Long Term Liability Due to Associated Companies | 234 | - | - | - |
| Accumulated Deferred Income Taxes | 281-283 | 346,526,481 | 296,138,065 | 50,388,416 |
| Total Deferred Credits | | $ 428,947,500 | $ 368,907,933 | $ 60,039,566 |
| Total Liabilities and Other Credits | | $ 2,446,611,480 | $ 2,039,142,799 | $ 407,468,681 |
| Adjustment to Balance | | $ - | ($21,091,255) | $ 21,091,255 |

# KENTUCKY UTILITIES COMPANY

Statement of Income

Twelve Months Ended December 31, 2004

| Title of Account<br>Column A | No.<br>Col. B | Total Kentucky Utilities<br>Column C | KU Retail Jurisdictional<br>Column D | Other Jurisdictional<br>Column E |
|---|---|---|---|---|
| **Utility Operating Income** | | | | |
| Operating Revenues: | | | | |
| Residential Sales | 440 | $ 303,634,902 | $ 281,743,257 | $ 21,891,645 |
| Commercial and Industrial Sales: | 442 | | | |
| Small (or Comm) - Rural Comm & Comm L&P | | 206,930,719 | 196,278,179 | 10,652,540 |
| Large (or Ind) - Industrial & Mine Power | | 222,263,376 | 210,564,686 | 11,698,690 |
| Public Street and Highway Lighting | 444 | 7,749,388 | 7,529,146 | 220,243 |
| Other Sales to Public Authorities | 445 | 64,408,658 | 60,590,763 | 3,817,894 |
| Total Sales to Ultimate Consumers | | $ 804,987,043 | $ 756,706,031 | $ 48,281,013 |
| Sales for Resale | 447 | 160,002,360 | 81,520,236 | 78,482,125 |
| Total Sales of Electricity | | $ 964,989,404 | $ 838,226,266 | $ 126,763,138 |
| Less: Provision for Refund | 449.1 | (4,750,714) | (6,729,716) | 1,979,002 |
| Total Revenues Net of Provision for Refund | | $ 969,740,117 | $ 844,955,982 | $ 124,784,136 |
| Other Operating Revenues: | | | | |
| Miscellaneous Service Revenues | 451 | 1,227,647 | 1,199,766 | 27,881 |
| Rent from Electric Property | 454 | 2,492,726 | 2,358,640 | 134,086 |
| Other Electric Revenues | 456 | 21,901,827 | 17,495,038 | 4,406,789 |
| Total Other Operating Revenues | | $ 25,622,200 | $ 21,053,443 | $ 4,568,757 |
| Total Operating Revenue | | $ 995,362,317 | $ 866,009,425 | $ 129,352,892 |
| Operating Expenses: | | | | |
| Operation Expenses | 401 | $ 581,761,085 | $ 506,019,587 | $ 75,741,498 |
| Maintenance Expenses | 402 | 60,891,726 | 53,366,828 | 7,524,898 |
| Depreciation Expense | 403 | 102,621,187 | 89,589,152 | 13,032,035 |
| Amortization of Limited-Term Electric Plant | 404 | 6,250,772 | 5,472,936 | 777,836 |
| Regulatory Credits | 407 | (1,521,074) | (1,308,691) | (212,383) |
| Taxes Other than Income Taxes | 408.1 | 16,653,320 | 14,789,607 | 1,863,713 |
| Income Taxes - Federal | 409.1 | 39,821,303 | Total Income Taxes | |
| Income Taxes - State | 409.1 | 17,834,658 | 67,871,833 | 11,257,452 |
| Provision for Deferred Income Taxes | 410.1 | 74,339,709 | | |
| Provision for Deferred Income Taxes - Credit | 411.1 | (52,866,385) | | |
| Accretion Expense | 411.1 | 1,302,024 | 1,120,226 | 181,798 |
| Investment Tax Credit Adjustment - Net | 411.4 | - | - | - |
| Losses/(Gains) from Disposition of Allowances | 411.8 | (444,235) | (382,208) | (62,027) |
| Total Utilitiy Operating Expenses | | $ 846,644,090 | $ 736,539,270 | $ 110,104,820 |
| Net Utility Operating Income | | $ 148,718,227 | $ 129,470,155 | $ 19,248,072 |

# KENTUCKY UTILITIES COMPANY

Statement of Income

Twelve Months Ended December 31, 2004

| Title of Account<br>Column A | No.<br>Col. B | Total Kentucky Utilities<br>Column C | KU Retail Jurisdictional<br>Column D | Other Jurisdictional<br>Column E |
|---|---|---|---|---|
| **Other Income and Deductions are not separated on a jurisdictional basis.** | | | | |
| Other Income and Deductions | | | | |
| Total Other Income | | $ 6,390,317 | | |
| Total Other Income Deductions | | (1,181,344) | | |
| Total Taxes on Other Income and Deductions | | (2,683,157) | | |
| Net Other Income and Deductions | | $ 10,254,818 | | |
| Interest Charges | | | | |
| Interest on Long Term Debt | 427 | $ 21,573,894 | | |
| Amortization of Debt Discount and Expense | 428 | 255,101 | | |
| Amortization of Loss on Re-Acquired Debt | 428.1 | 759,315 | | |
| Amortization of Premium on Debt - Credit | 429 | - | | |
| Amortization of Gain on Re-Acquired Debt - Credit | 429.1 | - | | |
| Interest on Debt to Associated Companies | 430 | 399,001 | | |
| Other Interest Expense | 431 | 2,740,509 | | |
| Allowance for Borrowed Funds Used During Contruction | 432 | (226,257) | | |
| Net Interest Charges | | $ 25,501,563 | $ 22,570,327 | $ 2,931,236 |
| Net Income | | $ 133,471,481 | | |