



a PPL company

Mr. Jeff Cline
Annual Report Branch
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

August 15, 2011

Re: *Joint Application of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company, and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities*
Case No. 2010-00204

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AUG 15 2011

PUBLIC SERVICE
COMMISSION

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

Rick E. Lovekamp
Manager - Regulatory Affairs
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Dear Mr. Cline:

Pursuant to the Commission's Order dated September 30, 2010 in the aforementioned case, Kentucky Utilities Company ("KU") submits the quarterly Twelve Month Ended Income Statement and Balance Sheet on a Kentucky Jurisdictional and Other Jurisdictional operations basis in compliance with the reporting requirements specified in Appendix C, Commitment No. 1.

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 call me or Don Harris at (502)627-2021.

Sincerely,

A handwritten signature in black ink that reads "Rick E. Lovekamp". The signature is written in a cursive, flowing style.

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 2011

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Plant				
Utility Plant	101-106	\$ 6,305,426,134	\$ 5,508,745,854	\$ 796,680,280
Plus: Construction Work in Progress	107	<u>282,826,954</u>	<u>242,889,451</u>	<u>39,937,503</u>
Total Utility Plant		\$ 6,588,253,087	\$ 5,751,635,305	\$ 836,617,782
Less: Accumulated Provision for Depreciation	108,111	<u>2,329,491,483</u>	<u>2,025,502,405</u>	<u>303,989,078</u>
Net Utility Plant		<u>\$ 4,258,761,605</u>	<u>\$ 3,726,132,900</u>	<u>\$ 532,628,705</u>
Other Property and Investments				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	12,674,130	-	12,674,130
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		<u>\$ 13,103,250</u>	<u>\$ -</u>	<u>\$ 13,103,250</u>
Current and Accrued Assets				
Cash	131	\$ 6,817,643	\$ 5,958,699	\$ 858,944
Special Deposits	132-134	640,705	559,984	80,721
Working Funds	135	38,430	33,588	4,842
Temporary Cash Investments	136	12,115	10,588	1,527
Customer Accounts Receivable	142	78,012,876	63,884,742	14,128,135
Other Accounts Receivable	143	12,136,205	10,607,183	1,529,022
Less: Accum Prov for Uncollectable Accts-Credit	144	2,354,924	2,058,231	296,693
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	5,001,225	4,464,397	536,828
Fuel	151	92,538,397	80,504,072	12,034,325
Plant Materials and Operating Supplies	154	33,129,392	28,893,435	4,235,957
Allowances	158.1	512,525	444,344	68,181
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,723,256	8,480,030	1,243,226
Prepayments	165	7,923,785	6,974,391	949,394
Interest and Dividends Receivable	171	13,734	12,004	1,730
Accrued Utility Revenues	173	77,917,736	64,831,000	13,086,736
Miscellaneous Current Assets	174-175	98,711	86,274	12,437
Total Current and Accrued Assets		<u>\$ 322,161,809</u>	<u>\$ 273,686,500</u>	<u>\$ 48,475,310</u>
Deferred Debits				
Unamortized Debt Expense	181	\$ 21,814,143	\$ 19,065,812	\$ 2,748,331
Deferred Regulatory Assets	182	279,417,797	239,611,678	39,806,120
Preliminary Survey and Inventory	183	4,105,589	3,588,332	517,257
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	40,145,651	34,814,281	5,331,369
Unamortized Loss on Bonds	189	12,077,604	10,555,965	1,521,639
Accumulated Deferred Income Taxes	190	<u>76,681,026</u>	<u>67,089,082</u>	<u>9,591,944</u>
Total Deferred Debits		<u>\$ 434,241,809</u>	<u>\$ 374,725,150</u>	<u>\$ 59,516,659</u>
Total Assets		<u>\$ 5,028,268,474</u>	<u>\$ 4,374,544,549</u>	<u>\$ 653,723,925</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 2011

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Proprietary Capital				
Common Stock Issued	201	\$ 308,139,978	\$ 269,317,889	\$ 38,822,089
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,063,602	39,794,481
Other Comprehensive Income		(2,489,187)	(2,175,578)	(313,609)
(Less) Common Stock Expense	214	321,289	280,810	40,479
Retained Earnings	215-216	1,456,456,761	1,272,959,981	183,496,780
Unappropriated Undistributed Subsidiary Earnings	216.1	15,452,285	-	15,452,285
Total Proprietary Capital		\$ 2,093,096,631	\$ 1,815,885,084	\$ 277,211,547
Long-Term Debt				
Bonds	221-222	\$ 1,850,779,405	\$ 1,617,602,512	\$ 233,176,893
Long-Term Debt Marked to Market	221.200	-	-	-
Long-Term Debt To Associated Companies	223	-	-	-
Other Long-Term Debt	224	-	-	-
Unamortized Discount on Long-Term Debt	226	(10,505,469)	(9,181,901)	(1,323,568)
Total Long-Term		\$ 1,840,273,936	\$ 1,608,420,611	\$ 231,853,325
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,805,389	2,504,261	301,128
Accumulated Provision for Pensions and Benefits	228.3	135,426,889	120,890,266	14,536,623
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 138,232,279	\$ 123,394,527	\$ 14,837,752
Current and Accrued Liabilities				
Notes Payable	231	-	-	-
Accounts Payable	232	76,456,703	68,249,897	8,206,806
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	26,344,329	-	26,344,329
Customer Deposits	235	23,299,987	22,780,080	519,906
Taxes Accrued	236	11,293,906	9,871,004	1,422,902
Interest Accrued	234,237	10,004,372	8,743,936	1,260,436
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,388,187	3,758,175	630,012
Miscellaneous Current and Accrued Liabilities	242-244	16,612,303	15,326,191	1,286,112
Total Current and Accrued Liabilities		\$ 168,399,787	\$ 128,729,283	\$ 39,670,504
Deferred Credits				
Customer Advances for Construction	252	\$ 3,173,809	\$ 3,166,620	\$ 7,189
Accumulated Deferred Investment Tax Credits	255	102,807,822	88,310,234	14,497,588
Other Deferred Credits	253	22,009,407	19,470,500	2,538,907
Regulatory Liabilities	254	113,430,636	99,496,408	13,934,228
Asset Retirement Obligation	230	55,284,495	47,930,036	7,354,459
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	491,559,671	430,071,017	61,488,654
Total Deferred Credits		\$ 788,265,840	\$ 688,444,815	\$ 99,821,025
Total Liabilities and Stockholders Equity		\$ 5,028,268,474	\$ 4,364,874,320	\$ 663,394,153
Adjustment to Balance		-	\$ (9,670,229)	\$ 9,670,229

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2011

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<u>Utility Operating Income</u>				
Operating Revenues:				
Residential Sales	440	\$ 545,292,381	508,810,287	\$ 36,482,094
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		353,814,116	336,257,928	17,556,188
Large (or Ind) - Industrial & Mine Power		375,805,003	359,823,058	15,981,945
Public Street and Highway Lighting	444	11,226,332	10,854,383	371,948
Other Sales to Public Authorities	445	112,266,507	105,375,961	6,890,546
Total Sales to Ultimate Consumers		<u>\$ 1,398,404,338</u>	<u>\$ 1,321,121,617</u>	<u>\$ 77,282,721</u>
Sales for Resale	447	129,284,116	22,619,391	106,664,725
Total Sales of Electricity		<u>\$ 1,527,688,454</u>	<u>\$ 1,343,741,008</u>	<u>\$ 183,947,446</u>
Less: Provision for Refund	449.1	(6)	(6)	-
Total Revenues Net of Provision for Refund		<u>\$ 1,527,688,460</u>	<u>\$ 1,343,741,014</u>	<u>\$ 183,947,446</u>
Other Operating Revenues:				
Late Payment Charges	450	9,105,643	8,903,509	202,134
Miscellaneous Service Revenues	451	2,490,800	2,363,149	127,651
Rent from Electric Property	454	1,558,929	1,445,422	113,507
Other Electric Revenues	456	12,188,139	8,324,053	3,864,086
Total Other Operating Revenues		<u>\$ 25,343,511</u>	<u>\$ 21,036,132</u>	<u>\$ 4,307,379</u>
Total Operating Revenue		<u>\$ 1,553,031,971</u>	<u>\$ 1,364,777,146</u>	<u>\$ 188,254,825</u>
Operating Expenses:				
Operation Expenses	401	\$ 872,692,184	\$ 764,963,382	107,728,802
Maintenance Expenses	402	121,666,419	107,342,851	14,323,568
Depreciation Expense	403	163,660,076	143,712,816	19,947,260
Amortization of Limited-Term Electric Plant	404	6,789,971	5,932,055	857,915
Regulatory Credits	407	(6,754,553)	(5,858,035)	(896,518)
Taxes Other than Income Taxes	408.1	23,729,142	21,219,834	2,509,307
Income Taxes - Federal	409.1	44,758,745	<u>Total Income Taxes</u>	
Income Taxes - State	409.1	15,726,158		
Deferred Federal Income Taxes - Net	410-1.1	47,456,685		
Deferred State Income Taxes - Net	410-1.1	907,000		
Accretion Expense	411.1	3,763,661	3,264,427	499,234
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(16,020)	(13,889)	(2,131)
Total Utility Operating Expenses		<u>\$ 1,294,379,466</u>	<u>\$ 1,136,009,696</u>	<u>\$ 158,369,770</u>
Net Utility Operating Income		<u>\$ 258,652,505</u>	<u>\$ 228,767,450</u>	<u>\$ 29,885,055</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2011

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.			
<u>Other Income and Deductions</u>			
Total Other Income		\$ 1,991,417	
Total Other Income Deductions		1,703,711	
Total Taxes on Other income and Deductions		(2,506,609)	
Net Other Income and Deductions		\$ 2,794,315	
<u>Interest Charges</u>			
Interest on Long Term Debt	427	\$ 67,001,873	
Amortization of Debt Discount and Expense	428	1,976,549	
Amortization of Loss on Re-Acquired Debt	428.1	604,973	
Amortization of Premium on Debt - Credit	429	-	
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-	
Interest on Debt to Associated Companies	430	76,178	
Other Interest Expense	431	5,027,738	
Allowance for Borrowed Funds Used During Construction	432	(501,055)	
Net Interest Charges		\$ 74,186,255	\$ 64,399,589
			\$ 9,786,666
Cumulative Effect of Accounting Change, Net of Tax		\$ -	
Net Income		\$ 187,260,565	