



a PPL company

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

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PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
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Louisville, Kentucky 40232
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Rick E. Lovekamp
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November 14, 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

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,

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 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 Plant</u>				
Utility Plant	101-106	\$ 6,335,117,660	\$ 5,534,685,904	\$ 800,431,756
Plus: Construction Work in Progress	107	308,050,716	264,551,410	43,499,306
Total Utility Plant		\$ 6,643,168,376	\$ 5,799,237,314	\$ 843,931,062
Less: Accumulated Provision for Depreciation	108,111	2,358,394,526	2,050,633,721	307,760,805
Net Utility Plant		\$ 4,284,773,850	\$ 3,748,603,593	\$ 536,170,257
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	13,829,385	-	13,829,385
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		\$ 14,258,505	\$ -	\$ 14,258,505
<u>Current and Accrued Assets</u>				
Cash	131	\$ 33,388,033	\$ 29,181,526	\$ 4,206,507
Special Deposits	132-134	91,321	79,816	11,505
Working Funds	135	39,030	34,113	4,917
Temporary Cash Investments	136	60,622,322	52,984,608	7,637,714
Customer Accounts Receivable	142	83,424,747	68,553,124	14,871,623
Other Accounts Receivable	143	8,800,468	7,691,711	1,108,757
Less: Accum Prov for Uncollectable Accts-Credit	144	2,512,550	2,195,998	316,552
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	1,609,819	1,437,022	172,797
Fuel	151	79,497,725	69,159,298	10,338,427
Plant Materials and Operating Supplies	154	33,017,685	28,796,011	4,221,674
Allowances	158.1	481,830	417,733	64,097
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,979,032	8,703,103	1,275,929
Prepayments	165	8,400,992	7,394,421	1,006,571
Interest and Dividends Receivable	171	17,477	15,275	2,202
Accrued Utility Revenues	173	69,874,643	58,005,000	11,869,643
Miscellaneous Current Assets	174-175	137,331	120,029	17,302
Total Current and Accrued Assets		\$ 386,869,906	\$ 330,376,792	\$ 56,493,114
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 21,504,433	\$ 18,795,122	\$ 2,709,311
Deferred Regulatory Assets	182	280,492,761	240,622,702	39,870,060
Preliminary Survey and Inventory	183	4,111,044	3,593,100	517,944
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	40,507,801	35,122,154	5,385,648
Unamortized Loss on Bonds	189	11,926,361	10,423,776	1,502,585
Accumulated Deferred Income Taxes	190	79,869,550	69,878,757	9,990,793
Total Deferred Debits		\$ 438,411,950	\$ 378,435,610	\$ 59,976,340
Total Assets		\$ 5,124,314,211	\$ 4,457,415,995	\$ 666,898,217

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 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	219	(2,471,334)	-	(2,471,334)
(Less) Common Stock Expense	214	321,289	280,810	40,479
Retained Earnings	215-216	1,491,575,230	1,303,653,927	187,921,303
Unappropriated Undistributed Subsidiary Earnings	216.1	16,578,322	-	16,578,322
Total Proprietary Capital		\$ 2,129,358,989	\$ 1,848,754,608	\$ 280,604,381
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	(10,346,656)	(9,043,097)	(1,303,559)
Total Long-Term		\$ 1,840,432,749	\$ 1,608,559,415	\$ 231,873,334
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,747,599	2,452,674	294,925
Accumulated Provision for Pensions and Benefits	228.3	134,315,973	119,898,595	14,417,378
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 137,063,572	\$ 122,351,269	\$ 14,712,303
Current and Accrued Liabilities				
Notes Payable	231	-	-	-
Accounts Payable	232	76,040,751	67,878,593	8,162,158
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	24,405,062	-	24,405,062
Customer Deposits	235	23,179,524	22,644,926	534,598
Taxes Accrued	236	20,297,158	17,739,950	2,557,208
Interest Accrued	234,237	25,441,185	22,235,889	3,205,296
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,121,155	3,525,994	595,161
Miscellaneous Current and Accrued Liabilities	242-244	16,464,527	15,334,803	1,129,724
Total Current and Accrued Liabilities		\$ 189,949,362	\$ 149,360,155	\$ 40,589,207
Deferred Credits				
Customer Advances for Construction	252	\$ 3,183,439	\$ 2,948,588	\$ 234,851
Accumulated Deferred Investment Tax Credits	255	102,107,793	87,708,921	14,398,872
Other Deferred Credits	253	27,990,983	24,819,085	3,171,898
Regulatory Liabilities	254	110,573,507	96,541,891	14,031,616
Asset Retirement Obligation	230	59,680,894	51,741,586	7,939,308
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	523,972,924	458,429,733	65,543,191
Total Deferred Credits		\$ 827,509,540	\$ 722,189,804	\$ 105,319,736
Total Liabilities and Stockholders Equity		\$ 5,124,314,211	\$ 4,451,215,251	\$ 673,098,960
Adjustment to Balance		-	\$ (6,200,744)	\$ 6,200,744

KENTUCKY UTILITIES COMPANY

Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 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	\$ 545,210,404	508,814,807	\$ 36,395,597
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		350,958,440	333,541,287	17,417,152
Large (or Ind) - Industrial & Mine Power		376,785,964	360,059,475	16,726,489
Public Street and Highway Lighting	444	11,231,968	10,838,525	393,443
Other Sales to Public Authorities	445	115,906,569	109,015,873	6,890,696
Total Sales to Ultimate Consumers		<u>\$ 1,400,093,345</u>	<u>\$ 1,322,269,968</u>	<u>\$ 77,823,377</u>
Sales for Resale	447	130,683,518	27,763,008	102,920,510
Total Sales of Electricity		<u>\$ 1,530,776,863</u>	<u>\$ 1,350,032,976</u>	<u>\$ 180,743,887</u>
Less: Provision for Refund	449.1	(6)	(6)	(0)
Total Revenues Net of Provision for Refund		<u>\$ 1,530,776,869</u>	<u>\$ 1,350,032,982</u>	<u>\$ 180,743,887</u>
Other Operating Revenues:				
Late Payment Charges	450	8,345,080	8,083,766	261,314
Miscellaneous Service Revenues	451	2,440,774	2,318,254	122,520
Rent from Electric Property	454	1,847,638	1,701,404	146,234
Other Electric Revenues	456	12,754,736	9,426,837	3,327,900
Total Other Operating Revenues		<u>\$ 25,388,229</u>	<u>\$ 21,530,261</u>	<u>\$ 3,857,968</u>
Total Operating Revenue		<u>\$ 1,556,165,098</u>	<u>\$ 1,371,563,242</u>	<u>\$ 184,601,855</u>
Operating Expenses:				
Operation Expenses	401	\$ 863,041,152	\$ 756,503,715	106,537,437
Maintenance Expenses	402	124,534,519	109,873,295	14,661,224
Depreciation Expense	403	172,591,752	151,555,879	21,035,873
Amortization of Limited-Term Electric Plant	404	6,982,209	6,100,005	882,205
Regulatory Credits	407	(5,482,460)	(4,754,784)	(727,675)
Taxes Other than Income Taxes	408.1	25,987,889	23,239,724	2,748,165
Income Taxes - Federal	409.1	30,139,979	Total Income Taxes	
Income Taxes - State	409.1	13,965,152		
Deferred Federal Income Taxes - Net	410-1.1	64,024,833	95,904,130	13,466,627
Deferred State Income Taxes - Net	410-1.1	1,240,792		
Accretion Expense	411.1	2,680,455	2,324,904	355,551
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>\$ 1,299,690,253</u>	<u>\$ 1,140,732,978</u>	<u>\$ 158,957,276</u>
Net Utility Operating Income		\$ 256,474,844	\$ 230,830,264	\$ 25,644,579

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

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.				
<u>Other Income and Deductions</u>				
Total Other Income		\$ 2,099,674		
Total Other Income Deductions		1,503,928		
Total Taxes on Other income and Deductions		(2,862,404)		
Net Other Income and Deductions		\$ 3,458,149		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 63,222,666		
Amortization of Debt Discount and Expense	428	2,744,437		
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	28,853		
Other Interest Expense	431	5,242,730		
Allowance for Borrowed Funds Used During Construction	432	(256,678)		
Net Interest Charges		\$ 71,586,980	\$ 62,143,211	\$ 9,443,769
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 188,346,014		