



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

November 14, 2012

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

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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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 Months 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 September 30, 2012

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	\$ 6,579,820,958	\$ 5,729,017,523	\$ 850,803,435
Plus: Construction Work in Progress	107	463,223,671	401,938,652	61,285,019
Total Utility Plant		\$ 7,043,044,628	\$ 6,130,956,175	\$ 912,088,453
Less: Accumulated Provision for Depreciation	108,111	2,485,733,194	2,148,973,409	336,759,785
Net Utility Plant		\$ 4,557,311,434	\$ 3,981,982,766	\$ 575,328,668
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	2,441,414	-	2,441,414
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		\$ 2,870,534	\$ -	\$ 2,870,534
<u>Current and Accrued Assets</u>				
Cash	131	\$ 5,982,290	\$ 5,236,414	\$ 745,876
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,726	4,804
Temporary Cash Investments	136	35,945,791	31,464,044	4,481,747
Customer Accounts Receivable	142	91,917,094	73,856,169	18,060,925
Other Accounts Receivable	143	4,810,930	4,211,100	599,830
Less: Accum Prov for Uncollectable Accts-Credit	144	1,833,002	1,604,462	228,540
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	14,198,409	12,627,764	1,570,645
Fuel	151	79,791,540	69,224,497	10,567,043
Plant Materials and Operating Supplies	154	36,114,466	31,298,747	4,815,719
Allowances	158.1	351,918	304,582	47,336
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,347,413	8,967,543	1,379,870
Prepayments	165	7,232,127	6,358,373	873,754
Interest and Dividends Receivable	171	17,477	15,298	2,179
Accrued Utility Revenues	173	71,517,473	59,046,000	12,471,473
Miscellaneous Current Assets	174-175	-	-	-
Total Current and Accrued Assets		\$ 356,432,455	\$ 301,039,795	\$ 55,392,660
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 19,788,022	\$ 17,320,838	\$ 2,467,184
Deferred Regulatory Assets	182	264,979,354	224,317,647	40,661,706
Preliminary Survey and Inventory	183	4,324,741	3,785,529	539,212
Clearing Accounts	184	1	-	1
Miscellaneous Deferred Debits	186	42,505,803	36,792,778	5,713,024
Unamortized Loss on Bonds	189	11,325,365	9,913,310	1,412,055
Accumulated Deferred Income Taxes	190	104,281,635	91,292,452	12,989,183
Total Deferred Debits		\$ 447,204,919	\$ 383,422,555	\$ 63,782,364
Total Assets		\$ 5,363,819,342	\$ 4,666,445,115	\$ 697,374,226

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 30, 2012

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	\$ 269,720,870	\$ 38,419,108
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,476,677	39,381,406
Other Comprehensive Income	219	(5,560,444)	-	(5,560,444)
(Less) Common Stock Expense	214	321,289	281,230	40,059
Retained Earnings	215-216	1,546,510,105	1,353,690,147	192,819,958
Unappropriated Undistributed Subsidiary Earnings	216 1	10,246,176	-	10,246,176
Total Proprietary Capital		\$ 2,174,872,609	\$ 1,899,606,464	\$ 275,266,145
Long-Term Debt				
Bonds	221-222	\$ 1,850,779,405	\$ 1,620,022,939	\$ 230,756,466
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	(9,711,406)	(8,500,581)	(1,210,825)
Total Long-Term		\$ 1,841,067,999	\$ 1,611,522,358	\$ 229,545,641
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,423,315	2,155,245	268,070
Accumulated Provision for Pensions and Benefits	228.3	132,816,367	118,124,065	14,692,302
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 135,239,682	\$ 120,279,310	\$ 14,960,372
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	126,728,784	112,709,897	14,018,887
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	28,455,089	-	28,455,089
Customer Deposits	235	24,112,472	23,397,498	714,974
Taxes Accrued	236	37,183,334	32,547,290	4,636,044
Interest Accrued	234,237	25,171,006	22,032,668	3,138,338
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,948,900	3,368,106	580,794
Miscellaneous Current and Accrued Liabilities	242-244	17,974,588	16,731,674	1,242,913
Total Current and Accrued Liabilities		\$ 263,574,172	\$ 210,787,133	\$ 52,787,040
Deferred Credits				
Customer Advances for Construction	252	\$ 3,103,955	\$ 2,798,502	\$ 305,453
Accumulated Deferred Investment Tax Credits	255	99,307,685	85,099,972	14,207,713
Other Deferred Credits	253	21,888,437	19,035,558	2,852,879
Regulatory Liabilities	254	104,753,134	90,422,624	14,330,510
Asset Retirement Obligation	230	63,995,184	55,387,203	8,607,981
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	656,016,484	574,303,938	81,712,546
Total Deferred Credits		\$ 949,064,880	\$ 827,047,797	\$ 122,017,082
Total Liabilities and Stockholders Equity		\$ 5,363,819,342	\$ 4,669,243,062	\$ 694,576,280
Adjustment to Balance		-	\$ 2,797,947	\$ (2,797,947)

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2012

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	\$ 511,640,994	477,340,143	\$ 34,300,851
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		344,951,067	327,645,506	17,305,562
Large (or Ind) - Industrial & Mine Power		389,325,612	371,845,815	17,479,797
Public Street and Highway Lighting	444	10,351,748	10,022,646	329,102
Other Sales to Public Authorities	445	116,942,078	110,096,281	6,845,797
Total Sales to Ultimate Consumers		<u>\$ 1,373,211,499</u>	<u>\$ 1,296,950,390</u>	<u>\$ 76,261,109</u>
Sales for Resale	447	121,131,193	20,061,815	101,069,378
Total Sales of Electricity		<u>\$ 1,494,342,692</u>	<u>\$ 1,317,012,205</u>	<u>\$ 177,330,488</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,494,342,692</u>	<u>\$ 1,317,012,205</u>	<u>\$ 177,330,488</u>
Other Operating Revenues:				
Late Payment Charges	450	6,935,525	6,714,182	221,344
Miscellaneous Service Revenues	451	2,028,461	1,869,829	158,632
Rent from Electric Property	454	2,404,495	2,199,353	205,142
Other Electric Revenues	456	16,577,176	12,655,654	3,921,523
Total Other Operating Revenues		<u>\$ 27,945,658</u>	<u>\$ 23,439,017</u>	<u>\$ 4,506,640</u>
Total Operating Revenue		<u>\$ 1,522,288,350</u>	<u>\$ 1,340,451,222</u>	<u>\$ 181,837,128</u>
Operating Expenses:				
Operation Expenses	401	\$ 849,944,296	\$ 743,866,181	106,078,115
Maintenance Expenses	402	129,826,282	113,976,997	15,849,284
Depreciation Expense	403	187,423,585	163,553,600	23,869,985
Amortization of Limited-Term Electric Plant	404	7,939,853	6,913,182	1,026,671
Regulatory Credits	407	(6,293,892)	(5,452,088)	(841,803)
Taxes Other than Income Taxes	408.1	30,149,157	26,737,395	3,411,762
Income Taxes - Federal	409.1	(15,184,535)	Total Income Taxes	
Income Taxes - State	409.1	762,139		
Deferred Federal Income Taxes - Net	410-1.1	100,361,320		
Deferred State Income Taxes - Net	410-1.1	12,888,595		
Accretion Expense	411.1	3,136,741	2,718,003	418,739
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(887)	(767)	(119)
Total Utility Operating Expenses		<u>\$ 1,300,952,656</u>	<u>\$ 1,142,214,245</u>	<u>\$ 158,738,412</u>
Net Utility Operating Income		<u>\$ 221,335,693</u>	<u>\$ 198,236,977</u>	<u>\$ 23,098,716</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2012

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		\$ (4,773,071)		
Total Other Income Deductions		1,980,933		
Total Taxes on Other income and Deductions		(6,563,867)		
Net Other Income and Deductions		\$ (190,137)		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 61,002,579		
Amortization of Debt Discount and Expense	428	3,100,630		
Amortization of Loss on Re-Acquired Debt	428.1	604,996		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	8,718		
Other Interest Expense	431	4,339,214		
Allowance for Borrowed Funds Used During Construction	432	(13,309)		
Net Interest Charges		\$ 69,042,828	\$ 59,111,252	\$ 9,931,576
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 152,102,729		