



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 14, 2014

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 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 blue ink, appearing to read 'Rick E. Lovekamp'.

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

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AUG 14 2014

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
T 502-627-3780
F 502-627-3213
rick.lovekamp@lge-ku.com

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 2014

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	\$ 7,289,972,273	\$ 6,389,865,063	\$ 900,107,210
Plus: Construction Work in Progress	107	1,055,232,710	920,748,221	134,484,489
Total Utility Plant		\$ 8,345,204,982	\$ 7,310,613,284	\$ 1,034,591,698
Less: Accumulated Provision for Depreciation	108,111	2,719,686,701	2,367,128,183	352,558,518
Net Utility Plant		\$ 5,625,518,281	\$ 4,943,485,101	\$ 682,033,180
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 971,720	\$ -	\$ 971,720
Investment in Subsidiary Companies	123.1	-	-	-
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		\$ 1,221,720	\$ -	\$ 1,221,720
<u>Current and Accrued Assets</u>				
Cash	131	\$ 7,279,411	\$ 6,404,309	\$ 875,102
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,898	4,632
Temporary Cash Investments	136	10,620,749	9,343,964	1,276,785
Customer Accounts Receivable	142	138,040,331	121,522,714	16,517,618
Other Accounts Receivable	143	11,162,479	9,820,570	1,341,909
Less: Accum Prov for Uncollectable Accts-Credit	144	4,352,383	3,829,156	523,227
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	24,425,689	21,839,235	2,586,454
Fuel	151	77,378,357	67,791,040	9,587,317
Plant Materials and Operating Supplies	154	36,900,700	32,107,667	4,793,033
Allowances	158.1	222,852	194,434	28,418
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,517,576	9,151,448	1,366,128
Prepayments	165	8,121,066	7,162,575	958,491
Interest, Dividends, and Rents Receivable	171-172	1,111,003	977,443	133,560
Accrued Utility Revenues	173	86,608,310	72,368,373	14,239,937
Miscellaneous Current Assets	174-175	-	-	-
Total Current and Accrued Assets		\$ 408,074,671	\$ 354,888,514	\$ 53,186,157
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 18,884,818	\$ 16,614,559	\$ 2,270,259
Deferred Regulatory Assets	182	225,620,435	199,807,859	25,812,576
Preliminary Survey and Inventory	183	5,589,672	4,917,704	671,968
Clearing Accounts	184	1,168,443	1,044,716	123,727
Miscellaneous Deferred Debits	186	39,783,784	34,714,172	5,069,612
Unamortized Loss on Bonds	189	9,325,834	8,204,719	1,121,115
Accumulated Deferred Income Taxes	190	186,130,110	163,634,995	22,495,115
Total Deferred Debits		\$ 486,503,096	\$ 428,938,724	\$ 57,564,372
Total Assets		\$ 6,521,317,768	\$ 5,727,312,338	\$ 794,005,429

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 2014

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	\$ 271,096,600	\$ 37,043,378
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	538,858,083	474,078,682	64,779,401
Other Comprehensive Income	219	(1,260,493)	-	(1,260,493)
(Less) Common Stock Expense	214	321,289	282,665	38,624
Retained Earnings	215-216	1,688,441,918	1,485,464,066	202,977,852
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,533,858,196	\$ 2,230,356,683	\$ 303,501,513
Long-Term Debt				
Bonds	221-222	\$ 2,100,779,405	\$ 1,848,231,961	\$ 252,547,444
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	(10,362,798)	(9,117,023)	(1,245,775)
Total Long-Term		\$ 2,090,416,607	\$ 1,839,114,938	\$ 251,301,669
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	1,736,746	1,552,841	183,905
Accumulated Provision for Pensions and Benefits	228.3	47,652,787	42,606,799	5,045,988
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 49,389,533	\$ 44,159,640	\$ 5,229,893
Current and Accrued Liabilities				
Notes Payable	231	\$ 174,979,425	\$ 153,944,086	\$ 21,035,339
Accounts Payable	232	157,764,224	141,058,458	16,705,766
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	38,135,408	-	38,135,408
Customer Deposits	235	26,250,522	25,365,051	885,471
Taxes Accrued	236	14,150,403	12,449,297	1,701,106
Interest Accrued	237	11,466,587	10,088,119	1,378,468
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	5,148,191	4,544,338	603,853
Miscellaneous Current and Accrued Liabilities	242-244	16,677,287	15,428,715	1,248,571
Total Current and Accrued Liabilities		\$ 444,572,047	\$ 362,878,064	\$ 81,693,983
Deferred Credits				
Customer Advances for Construction	252	\$ 2,717,982	\$ 2,688,565	\$ 29,417
Accumulated Deferred Investment Tax Credits	255	95,800,772	82,433,699	13,367,073
Other Deferred Credits	253	37,929,887	33,135,961	4,793,926
Regulatory Liabilities	254	147,233,402	130,066,180	17,167,222
Asset Retirement Obligation	230	187,259,828	163,380,084	23,879,744
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	932,139,512	819,483,985	112,655,527
Total Deferred Credits		\$ 1,403,081,383	\$ 1,231,188,474	\$ 171,892,909
Total Liabilities and Stockholders Equity		\$ 6,521,317,768	\$ 5,707,697,799	\$ 813,619,969
Adjustment to Balance		-	\$ (19,614,539)	\$ 19,614,539

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2014

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	\$ 628,356,042	\$ 589,319,592	\$ 39,036,450
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		381,062,136	363,002,281	18,059,854
Large (or Ind) - Industrial & Mine Power		416,404,245	402,135,788	14,268,457
Public Street and Highway Lighting	444	10,893,169	10,545,603	347,566
Other Sales to Public Authorities	445	126,496,829	119,531,831	6,964,998
Total Sales to Ultimate Consumers		<u>\$ 1,563,212,419</u>	<u>\$ 1,484,535,094</u>	<u>\$ 78,677,325</u>
Sales for Resale	447	130,989,563	15,937,550	115,052,013
Total Sales of Electricity		<u>\$ 1,694,201,982</u>	<u>\$ 1,500,472,644</u>	<u>\$ 193,729,338</u>
Less: Provision for Refund	449.1	17,652	-	17,652
Total Revenues Net of Provision for Refund		<u>\$ 1,694,184,330</u>	<u>\$ 1,500,472,644</u>	<u>\$ 193,711,686</u>
Other Operating Revenues:				
Late Payment Charges	450	3,905,231	3,736,858	168,373
Miscellaneous Service Revenues	451	2,196,348	2,065,678	130,670
Rent from Electric Property	454	4,326,909	4,106,047	220,862
Other Electric Revenues	456	17,644,422	13,060,896	4,583,526
Total Other Operating Revenues		<u>\$ 28,072,909</u>	<u>\$ 22,969,478</u>	<u>\$ 5,103,431</u>
Total Operating Revenue		<u>\$ 1,722,257,239</u>	<u>\$ 1,523,442,123</u>	<u>\$ 198,815,117</u>
Operating Expenses:				
Operation Expenses	401	\$ 928,572,833	\$ 812,645,598	\$ 115,927,235
Maintenance Expenses	402	119,885,943	107,725,229	12,160,714
Depreciation Expense	403	177,997,977	156,449,916	21,548,061
Amortization of Limited-Term Electric Plant	404	8,429,311	7,389,950	1,039,361
Regulatory Credits	407	4,140,690	3,602,904	537,786
Taxes Other than Income Taxes	408.1	34,358,356	30,672,233	3,686,122
Income Taxes - Federal	409.1	42,568,455	Total Income Taxes	
Income Taxes - State	409.1	11,163,220		
Deferred Federal Income Taxes - Net	410-1.1	77,682,588		
Deferred State Income Taxes - Net	410-1.1	9,740,897		
Accretion Expense	411.1	(1,567,027)	(1,363,973)	(203,054)
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(546)	(476)	(69)
Total Utility Operating Expenses		<u>\$ 1,412,972,696</u>	<u>\$ 1,246,047,216</u>	<u>\$ 166,925,480</u>
Net Utility Operating Income		<u>\$ 309,284,544</u>	<u>\$ 277,394,907</u>	<u>\$ 31,889,637</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2014

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		\$ 2,010,493		
Total Other Income Deductions		2,058,523		
Total Taxes on Other income and Deductions		(2,897,412)		
Net Other Income and Deductions		\$ 2,849,383		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 67,119,694		
Amortization of Debt Discount and Expense	428	2,819,905		
Amortization of Loss on Re-Acquired Debt	428.1	1,863,288		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	6,525		
Other Interest Expense	431	3,294,741		
Allowance for Borrowed Funds Used During Construction	432	(328,854)		
Net Interest Charges		\$ 74,775,299	\$ 65,899,277	\$ 8,876,022
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 237,358,628		