



a PPL company

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

February 13, 2015

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

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

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COMMISSION

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KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 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	\$ 7,787,639,370	\$ 6,907,252,256	\$ 880,387,114
Plus: Construction Work in Progress	107	880,068,809	773,835,127	106,233,682
Total Utility Plant		<u>\$ 8,667,708,179</u>	<u>\$ 7,681,087,383</u>	<u>\$ 986,620,796</u>
Less: Accumulated Provision for Depreciation	108, 111	2,798,968,737	2,470,919,404	328,049,333
Net Utility Plant		<u>\$ 5,868,739,442</u>	<u>\$ 5,210,167,979</u>	<u>\$ 658,571,463</u>
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 971,313	\$ -	\$ 971,313
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		<u>\$ 1,221,313</u>	<u>\$ -</u>	<u>\$ 1,221,313</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 7,008,866	\$ 6,230,817	\$ 778,049
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,255	6,775
Temporary Cash Investments	136	4,066,766	3,615,317	451,449
Customer Accounts Receivable	142	126,706,511	121,522,714	5,183,797
Other Accounts Receivable	143	5,608,374	4,985,792	622,582
Less: Accum Prov for Uncollectable Accts-Credit	144	2,417,633	2,149,253	268,380
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	59,765,613	53,913,347	5,852,266
Fuel	151	99,282,056	87,293,860	11,988,196
Plant Materials and Operating Supplies	154	38,655,516	34,118,673	4,536,843
Allowances	158.1	158,872	139,208	19,664
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,574,016	9,338,521	1,235,495
Prepayments	165	7,629,374	6,950,608	678,766
Interest, Dividends, and Rents Receivable	171-172	1,304,680	1,159,848	144,832
Accrued Utility Revenues	173	91,068,107	77,080,000	13,988,107
Miscellaneous Current Assets	174-175	-	-	-
Total Current and Accrued Assets		<u>\$ 449,472,147</u>	<u>\$ 404,253,707</u>	<u>\$ 45,218,441</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 18,614,827	\$ 16,548,407	\$ 2,066,420
Deferred Regulatory Assets	182	329,468,702	295,427,181	34,041,522
Preliminary Survey and Inventory	183	5,723,428	5,088,074	635,354
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	38,961,966	34,143,431	4,818,535
Unamortized Loss on Bonds	189	9,590,735	8,526,074	1,064,661
Accumulated Deferred Income Taxes	190	221,690,914	197,715,483	23,975,431
Total Deferred Debits		<u>\$ 624,050,571</u>	<u>\$ 557,448,650</u>	<u>\$ 66,601,921</u>
Total Assets		<u>\$ 6,943,483,474</u>	<u>\$ 6,171,870,336</u>	<u>\$ 771,613,138</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 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	\$ 273,933,567	\$ 34,206,411
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	563,858,083	501,264,579	62,593,504
Other Comprehensive Income	219	(1,232,509)	-	(1,232,509)
(Less) Common Stock Expense	214	321,289	285,623	35,666
Retained Earnings	215-216	1,728,986,179	1,537,052,594	191,933,585
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,599,430,441	\$ 2,311,965,117	\$ 287,465,324
Long-Term Debt				
Bonds	221-222	\$ 2,100,779,405	\$ 1,867,573,305	\$ 233,206,100
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	(10,011,254)	(8,899,911)	(1,111,343)
Total Long-Term		\$ 2,090,768,151	\$ 1,858,673,394	\$ 232,094,757
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,049,992	1,849,256	200,736
Accumulated Provision for Pensions and Benefits	228.3	117,607,470	106,091,313	11,516,157
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 119,657,462	\$ 107,940,569	\$ 11,716,893
Current and Accrued Liabilities				
Notes Payable	231	\$ 235,592,322	\$ 209,439,378	\$ 26,152,944
Accounts Payable	232	153,042,158	138,056,227	14,985,931
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	46,590,075	-	46,590,075
Customer Deposits	235	27,255,893	25,921,052	1,334,842
Taxes Accrued	236	13,974,039	12,422,790	1,551,249
Interest Accrued	237	11,624,315	10,333,908	1,290,407
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	5,223,518	4,532,001	691,517
Miscellaneous Current and Accrued Liabilities	242-245	53,393,554	48,164,634	5,228,920
Total Current and Accrued Liabilities		\$ 546,695,875	\$ 448,869,990	\$ 97,825,886
Deferred Credits				
Customer Advances for Construction	252	\$ 2,218,445	\$ 2,189,028	\$ 29,417
Accumulated Deferred Investment Tax Credits	255	94,865,140	82,459,256	12,405,884
Other Deferred Credits	253	38,495,004	33,738,882	4,756,122
Regulatory Liabilities	254	136,098,871	119,078,902	17,019,969
Asset Retirement Obligation	230	210,966,864	184,855,402	26,111,462
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,104,287,221	984,860,756	119,426,465
Total Deferred Credits		\$ 1,586,931,544	\$ 1,407,182,226	\$ 179,749,318
Total Liabilities and Stockholders Equity		\$ 6,943,483,474	\$ 6,134,631,296	\$ 808,852,178
Adjustment to Balance		-	\$ (37,239,039)	\$ 37,239,040

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 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	\$ 631,062,022	\$ 591,235,045	\$ 39,826,977
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		381,624,816	363,226,184	18,398,632
Large (or Ind) - Industrial & Mine Power		433,328,131	419,588,922	13,739,210
Public Street and Highway Lighting	444	11,417,588	11,120,080	297,507
Other Sales to Public Authorities	445	127,593,749	120,529,265	7,064,483
Total Sales to Ultimate Consumers		<u>\$ 1,585,026,306</u>	<u>\$ 1,505,699,497</u>	<u>\$ 79,326,809</u>
Sales for Resale	447	126,825,129	15,752,929	111,072,200
Total Sales of Electricity		<u>\$ 1,711,851,435</u>	<u>\$ 1,521,452,426</u>	<u>\$ 190,399,009</u>
Less: Provision for Refund	449.1	2,700,607	-	2,700,607
Total Revenues Net of Provision for Refund		<u>\$ 1,709,150,828</u>	<u>\$ 1,521,452,426</u>	<u>\$ 187,698,403</u>
Other Operating Revenues:				
Late Payment Charges	450	3,898,511	3,738,875	159,635
Miscellaneous Service Revenues	451	2,178,769	2,044,340	134,429
Rent from Electric Property	454	3,703,543	3,470,122	233,420
Other Electric Revenues	456	18,268,003	17,378,198	889,805
Total Other Operating Revenues		<u>\$ 28,048,826</u>	<u>\$ 26,631,536</u>	<u>\$ 1,417,290</u>
Total Operating Revenue		<u>\$ 1,737,199,654</u>	<u>\$ 1,548,083,961</u>	<u>\$ 189,115,692</u>
Operating Expenses:				
Operation Expenses	401	\$ 942,074,055	\$ 835,446,687	\$ 106,627,368
Maintenance Expenses	402	130,920,339	116,104,976	14,815,363
Depreciation Expense	403	187,157,353	166,205,295	20,952,058
Amortization of Limited-Term Electric Plant	404	9,436,591	8,370,970	1,065,621
Regulatory Credits	407	-	-	-
Taxes Other than Income Taxes	408.1	35,625,305	32,090,298	3,535,007
Income Taxes - Federal	409.1	(94,167,437)	Total Income Taxes	
Income Taxes - State	409.1	6,539,531		
Deferred Federal Income Taxes - Net	410-1.1	211,991,147	124,152,822	13,530,783
Deferred State Income Taxes - Net	410-1.1	13,320,365		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(546)	(478)	(68)
Total Utility Operating Expenses		<u>\$ 1,442,896,703</u>	<u>\$ 1,282,370,571</u>	<u>\$ 160,526,132</u>
Net Utility Operating Income		<u>\$ 294,302,951</u>	<u>\$ 265,713,390</u>	<u>\$ 28,589,560</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 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		\$ 2,363,989		
Total Other Income Deductions		2,660,739		
Total Taxes on Other income and Deductions		(2,937,319)		
Net Other Income and Deductions		\$ 2,640,569		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 70,856,018		
Amortization of Debt Discount and Expense	428	2,940,774		
Amortization of Loss on Re-Acquired Debt	428.1	626,896		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	5,790		
Other Interest Expense	431	3,509,327		
Allowance for Borrowed Funds Used During Construction	432	(445,556)		
Net Interest Charges		\$ 77,493,250	\$ 69,258,384	\$ 8,234,866
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 219,450,269		