



a PPL company

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

May 13, 2016

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

RECEIVED

MAY 13 2016

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
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Affairs/Tariffs
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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,

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2016

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	\$ 8,861,096,688	\$ 7,850,563,931	\$ 1,010,532,757
Plus: Construction Work in Progress	107	285,732,467	256,255,302	29,477,165
Total Utility Plant		\$ 9,146,829,155	\$ 8,106,819,233	\$ 1,040,009,922
Less: Accumulated Provision for Depreciation	108,111	2,908,490,568	2,567,146,208	341,344,360
Net Utility Plant		\$ 6,238,338,587	\$ 5,539,673,025	\$ 698,665,562
Other Property and Investments				
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		\$ 1,221,313	\$ -	\$ 1,221,313
Current and Accrued Assets				
Cash	131	\$ 8,026,833	\$ 7,140,670	\$ 886,163
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,292	6,738
Temporary Cash Investments	136	8,628,049	7,675,511	952,538
Customer Accounts Receivable	142	130,094,744	113,176,908	16,917,836
Other Accounts Receivable	143	3,047,125	2,710,722	336,403
Less: Accum Prov for Uncollectable Accts-Credit	144	2,179,488	1,938,872	240,616
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	15,930	14,362	1,568
Fuel	151	104,438,771	91,880,707	12,558,064
Plant Materials and Operating Supplies	154	42,735,185	37,717,476	5,017,709
Allowances	158.1	139,045	121,837	17,208
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,869,026	8,716,234	1,152,792
Prepayments	165	9,199,235	8,214,816	984,419
Interest, Dividends, and Rents Receivable	171-172	435,822	387,708	48,114
Accrued Utility Revenues	173	79,653,795	68,538,000	11,115,795
Miscellaneous Current Assets	174-176	92	82	10
Total Current and Accrued Assets		\$ 394,165,196	\$ 344,410,453	\$ 49,754,743
Deferred Debits				
Unamortized Debt Expense	181	\$ 21,057,206	\$ 18,732,488	\$ 2,324,718
Deferred Regulatory Assets	182	381,436,247	334,313,036	47,123,210
Preliminary Survey and Inventory	183	6,963,278	6,194,531	768,747
Clearing Accounts	184	102,488	92,400	10,088
Miscellaneous Deferred Debits	186-188	42,790,370	37,498,154	5,292,215
Unamortized Loss on Bonds	189	8,739,496	7,774,654	964,842
Accumulated Deferred Income Taxes	190	347,806,640	309,014,763	38,791,877
Total Deferred Debits		\$ 808,895,725	\$ 713,620,027	\$ 95,275,698
Total Assets		\$ 7,442,620,821	\$ 6,597,703,505	\$ 844,917,316

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2016

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	\$ 274,121,285	\$ 34,018,693
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	563,858,083	501,608,079	62,250,004
Other Comprehensive Income	219	(1,770,923)	-	(1,770,923)
(Less) Common Stock Expense	214	321,289	285,819	35,470
Retained Earnings	215-216	1,820,248,627	1,619,292,949	200,955,678
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,690,154,476	\$ 2,394,736,494	\$ 295,417,982
Long-Term Debt				
Bonds	221-222	\$ 2,350,779,405	\$ 2,091,253,062	\$ 259,526,343
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	(9,514,511)	(8,464,107)	(1,050,404)
Total Long-Term		\$ 2,341,264,894	\$ 2,082,788,955	\$ 258,475,939
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,264,618	2,041,694	222,924
Accumulated Provision for Pensions and Benefits	228.3	84,024,842	75,753,647	8,271,195
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 86,289,460	\$ 77,795,341	\$ 8,494,119
Current and Accrued Liabilities				
Notes Payable	231	\$ 33,997,594	\$ 30,244,255	\$ 3,753,339
Accounts Payable	232	83,354,275	75,149,089	8,205,186
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	42,286,430	-	42,286,430
Customer Deposits	235	27,331,951	25,874,230	1,457,721
Taxes Accrued	236	12,040,879	10,711,565	1,329,314
Interest Accrued	237	37,623,974	33,470,283	4,153,691
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,829,422	4,260,015	569,407
Miscellaneous Current and Accrued Liabilities	242-245	17,541,648	16,376,266	1,165,382
Total Current and Accrued Liabilities		\$ 259,006,174	\$ 196,085,703	\$ 62,920,470
Deferred Credits				
Customer Advances for Construction	252	\$ 1,895,956	\$ 1,869,271	\$ 26,685
Accumulated Deferred Investment Tax Credits	255	92,557,388	80,493,451	12,063,937
Other Deferred Credits	253	10,236,247	9,018,744	1,217,503
Regulatory Liabilities	254	156,046,050	138,697,742	17,348,308
Asset Retirement Obligation	230	366,227,599	320,904,859	45,322,740
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,438,942,577	1,278,453,161	160,489,416
Total Deferred Credits		\$ 2,065,905,817	\$ 1,829,437,228	\$ 236,468,589
Total Liabilities and Stockholders Equity		\$ 7,442,620,821	\$ 6,580,843,721	\$ 861,777,100
Adjustment to Balance		-	\$ (16,859,784)	\$ 16,859,784

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2016

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income				
Operating Revenues:				
Residential Sales	440	\$ 592,319,691	\$ 558,818,009	\$ 33,501,682
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		378,462,202	361,263,845	17,198,357
Large (or Ind) - Industrial & Mine Power		427,438,501	417,163,980	10,274,521
Public Street and Highway Lighting	444	12,282,307	11,921,367	360,940
Other Sales to Public Authorities	445	128,384,604	121,978,887	6,405,718
Total Sales to Ultimate Consumers		<u>\$ 1,538,887,305</u>	<u>\$ 1,471,146,087</u>	<u>\$ 67,741,218</u>
Sales for Resale	447	132,377,517	24,285,239	108,092,278
Total Sales of Electricity		<u>\$ 1,671,264,822</u>	<u>\$ 1,495,431,326</u>	<u>\$ 175,833,496</u>
Less: Provision for Refund	449.1	2,444,628	87,674	2,356,954
Total Revenues Net of Provision for Refund		<u>\$ 1,668,820,194</u>	<u>\$ 1,495,343,652</u>	<u>\$ 173,476,542</u>
Other Operating Revenues:				
Late Payment Charges	450	3,877,713	3,734,386	143,327
Miscellaneous Service Revenues	451	2,225,501	2,102,877	122,624
Rent from Electric Property	454	3,588,155	3,350,390	237,765
Other Electric Revenues	456	18,312,858	17,387,463	925,395
Total Other Operating Revenues		<u>\$ 28,004,228</u>	<u>\$ 26,575,117</u>	<u>\$ 1,429,111</u>
Total Operating Revenue		<u>\$ 1,696,824,422</u>	<u>\$ 1,521,918,769</u>	<u>\$ 174,905,653</u>
Operating Expenses:				
Operation Expenses	401	\$ 844,041,638	\$ 748,590,767	\$ 95,450,871
Maintenance Expenses	402	132,601,939	117,231,534	15,370,405
Depreciation Expense	403	214,128,698	190,008,463	24,120,236
Amortization of Limited-Term Electric Plant	404	11,207,062	9,930,220	1,276,842
Regulatory Credits	407	-	-	-
Taxes Other than Income Taxes	408.1	38,511,517	34,613,221	3,898,296
Income Taxes - Federal	409.1	(20,384,962)	Total Income Taxes <u>128,926,394</u>	
Income Taxes - State	409.1	(35,384)		
Deferred Federal Income Taxes - Net	410-1.1	142,416,712		
Deferred State Income Taxes - Net	410-1.1	20,297,584		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(92)	(80)	(12)
Total Utility Operating Expenses		<u>\$ 1,382,784,713</u>	<u>\$ 1,229,300,519</u>	<u>\$ 153,484,195</u>
Net Utility Operating Income		<u>\$ 314,039,709</u>	<u>\$ 292,618,250</u>	<u>\$ 21,421,458</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2016

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.				
Other Income and Deductions				
Total Other Income		\$ 1,053,760		
Total Other Income Deductions		2,663,251		
Total Taxes on Other income and Deductions		(3,934,711)		
Net Other Income and Deductions		\$ 2,325,219		
Interest Charges				
Interest on Long Term Debt	427	\$ 80,344,503		
Amortization of Debt Discount and Expense	428	2,871,069		
Amortization of Loss on Re-Acquired Debt	428.1	682,703		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	1,701		
Other Interest Expense	431	2,853,538		
Allowance for Borrowed Funds Used During Construction	432	(389,319)		
Net Interest Charges		\$ 86,364,196	\$ 77,472,949	\$ 8,891,247
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 230,000,732		