



a PPL company

RECEIVED

AUG 14 2018

PUBLIC SERVICE
COMMISSION

Mr. Jeff Cline, Procedure Development Coordinator
Division of General Administration Filings Branch
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

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
Strategy/Policy
T 502-627-3780
rick.lovekamp@lge-ku.com

August 14, 2018

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 fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 2018

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	\$ 9,361,578,404	\$ 8,314,818,496	\$ 1,046,759,908
Plus: Construction Work in Progress	107	423,870,174	384,012,894	39,857,280
Total Utility Plant		\$ 9,785,448,578	\$ 8,698,831,390	\$ 1,086,617,188
Less: Accumulated Provision for Depreciation	108,111	3,340,464,682	2,950,229,251	390,235,431
Net Utility Plant		<u>\$ 6,444,983,896</u>	<u>\$ 5,748,602,139</u>	<u>\$ 696,381,757</u>
Other Property and Investments				
Nonutility Property-Less reserve	121-122	\$ 178,714	\$ -	\$ 178,714
Investment in Subsidiary Companies	123.1	-	-	-
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	14,130,220	12,768,967	1,361,253
Total Other Property and Investments		<u>\$ 14,558,934</u>	<u>\$ 12,768,967</u>	<u>\$ 1,789,967</u>
Current and Accrued Assets				
Cash	131	\$ 11,928,165	\$ 10,638,343	\$ 1,289,822
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,431	6,599
Temporary Cash Investments	136	7,519,397	6,706,307	813,090
Customer Accounts Receivable	142	126,587,467	107,184,447	19,403,021
Other Accounts Receivable	143	30,273,408	26,999,870	3,273,538
Less: Accum Prov for Uncollectable Accts-Credit	144	1,300,651	1,160,008	140,643
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	-	-	-
Fuel	151	66,081,293	58,168,998	7,912,295
Plant Materials and Operating Supplies	154	50,559,139	44,820,809	5,738,330
Allowances	158.1	129,522	113,557	15,965
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	12,000,185	10,638,195	1,361,990
Prepayments	165	18,612,633	16,660,598	1,952,035
Interest, Dividends, and Rents Receivable	171-172	607,158	541,505	65,653
Accrued Utility Revenues	173	96,421,983	81,608,000	14,813,983
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		<u>\$ 419,480,730</u>	<u>\$ 362,975,052</u>	<u>\$ 56,505,679</u>
Deferred Debits				
Unamortized Debt Expense	181	\$ 17,364,376	\$ 15,486,723	\$ 1,877,653
Deferred Regulatory Assets	182	412,181,953	369,968,126	42,213,827
Preliminary Survey and Inventory	183	4,169,218	3,718,390	450,828
Clearing Accounts	184	4,065,597	3,673,933	391,664
Miscellaneous Deferred Debits	186-188	50,387,252	14,859,582	35,527,670
Unamortized Loss on Bonds	189	8,565,366	7,639,172	926,194
Accumulated Deferred Income Taxes	190	349,065,730	311,289,022	37,776,708
Total Deferred Debits		<u>\$ 845,799,492</u>	<u>\$ 726,634,948</u>	<u>\$ 119,164,544</u>
Total Assets		<u>\$ 7,724,823,053</u>	<u>\$ 6,850,981,106</u>	<u>\$ 873,841,947</u>

RECEIVED

AUG 14 2018

PUBLIC SERVICE
COMMISSION

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 2018

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	\$ 274,820,047	\$ 33,319,931
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	628,858,083	560,858,118	67,999,965
Other Comprehensive Income	219	-	-	-
(Less) Common Stock Expense	214	321,289	286,547	34,742
Retained Earnings	215-216	1,870,189,415	1,667,961,252	202,228,163
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,806,866,187	\$ 2,503,352,870	\$ 303,513,317
Long-Term Debt				
Bonds	221-222	\$ 2,350,779,405	\$ 2,096,583,869	\$ 254,195,536
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	(8,299,634)	(7,402,174)	(897,460)
Total Long-Term		\$ 2,342,479,771	\$ 2,089,181,695	\$ 253,298,076
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	3,198,333	2,890,217	308,116
Accumulated Provision for Pensions and Benefits	228.3	31,385,932	28,362,326	3,023,606
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 34,584,265	\$ 31,252,543	\$ 3,331,722
Current and Accrued Liabilities				
Notes Payable	231	\$ 133,429,851	\$ 119,001,754	\$ 14,428,097
Accounts Payable	232	131,835,580	119,135,024	12,700,556
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	41,999,543	-	41,999,543
Customer Deposits	235	30,898,393	29,333,945	1,564,448
Taxes Accrued	236	22,610,386	20,165,470	2,444,916
Interest Accrued	237	16,095,917	14,355,426	1,740,491
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,248,291	3,951,883	296,408
Miscellaneous Current and Accrued Liabilities	242-245	19,307,984	18,070,016	1,237,968
Total Current and Accrued Liabilities		\$ 400,425,945	\$ 324,013,518	\$ 76,412,427
Deferred Credits				
Customer Advances for Construction	252	\$ 980,981	\$ 927,992	\$ 52,989
Accumulated Deferred Investment Tax Credits	255	92,740,948	80,703,921	12,037,027
Other Deferred Credits	253	20,956,053	20,752,944	203,109
Regulatory Liabilities	254	766,684,842	685,737,461	80,947,381
Asset Retirement Obligation	230	220,387,234	193,221,269	27,165,965
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,038,716,826	926,304,468	112,412,358
Total Deferred Credits		\$ 2,140,466,884	\$ 1,907,648,055	\$ 232,818,829
Total Liabilities and Stockholders Equity		\$ 7,724,823,053	\$ 6,855,448,681	\$ 869,374,371
Adjustment to Balance		-	\$ 4,467,576	\$ (4,467,576)

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2018

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	\$ 658,921,070	\$ 621,090,462	\$ 37,830,608
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		407,730,289	389,544,943	18,185,346
Large (or Ind) - Industrial & Mine Power		405,041,578	395,585,204	9,456,374
Public Street and Highway Lighting	444	13,055,049	12,677,463	377,585
Other Sales to Public Authorities	445	132,279,645	125,338,728	6,940,917
Total Sales to Ultimate Consumers		<u>\$ 1,617,027,631</u>	<u>\$ 1,544,236,800</u>	<u>\$ 72,790,830</u>
Sales for Resale	447	129,239,274	17,237,596	112,001,678
Total Sales of Electricity		<u>\$ 1,746,266,905</u>	<u>\$ 1,561,474,396</u>	<u>\$ 184,792,508</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,746,266,905</u>	<u>\$ 1,561,474,396</u>	<u>\$ 184,792,508</u>
Other Operating Revenues:				
Late Payment Charges	450	4,283,362	4,111,498	171,864
Miscellaneous Service Revenues	451	2,469,492	2,316,065	153,427
Rent from Electric Property	454	10,597,932	9,600,680	997,253
Other Electric Revenues	456	23,800,285	22,570,164	1,230,121
Total Other Operating Revenues		<u>\$ 41,151,071</u>	<u>\$ 38,598,406</u>	<u>\$ 2,552,664</u>
Total Operating Revenue		<u>\$ 1,787,417,975</u>	<u>\$ 1,600,072,803</u>	<u>\$ 187,345,172</u>
Operating Expenses:				
Operation Expenses	401	\$ 828,499,119	\$ 737,461,079	\$ 91,038,040
Maintenance Expenses	402	133,980,753	120,661,577	13,319,175
Depreciation Expense	403	251,228,154	222,987,400	28,240,754
Amortization of Limited-Term Electric Plant	404	18,157,809	16,128,307	2,029,502
Regulatory Debts	407	2,304,754	1,793,448	511,306
Taxes Other than Income Taxes	408.1	42,970,604	38,784,489	4,186,114
Income Taxes - Federal	409.1	25,913,503	Total Income Taxes	
Income Taxes - State	409.1	8,041,481		
Deferred Federal Income Taxes - Net	410-1.1	80,230,045		
Deferred State Income Taxes - Net	410-1.1	12,906,630		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	10,450	9,398	1,052
Losses/(Gains) from Disposition of Allowances	411.8	(52,012)	(45,600)	(6,412)
Total Utility Operating Expenses		<u>\$ 1,404,191,289</u>	<u>\$ 1,252,076,376</u>	<u>\$ 152,114,912</u>
Net Utility Operating Income		<u>\$ 383,226,686</u>	<u>\$ 347,996,427</u>	<u>\$ 35,230,260</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2018

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		\$ 1,868,328		
Total Other Income Deductions		1,638,773		
Total Taxes on Other income and Deductions		(2,761,683)		
Net Other Income and Deductions		\$ 2,991,238		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 91,761,360		
Amortization of Debt Discount and Expense	428	2,659,075		
Amortization of Loss on Re-Acquired Debt	428.1	554,414		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	7,397		
Other Interest Expense	431	3,191,872		
Allowance for Borrowed Funds Used During Construction	432	(263,551)		
Net Interest Charges		\$ 97,910,568	\$ 87,217,615	\$ 10,692,953
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 288,307,357		