



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 14, 2013

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,

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

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KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 2012

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	\$ 6,741,590,336	\$ 5,879,445,935	\$ 862,144,401
Plus: Construction Work in Progress	107	490,181,659	424,902,315	65,279,344
Total Utility Plant		<u>\$ 7,231,771,995</u>	<u>\$ 6,304,348,250</u>	<u>\$ 927,423,745</u>
Less: Accumulated Provision for Depreciation	108,111	2,519,600,372	2,180,909,018	338,691,354
Net Utility Plant		<u>\$ 4,712,171,624</u>	<u>\$ 4,123,439,232</u>	<u>\$ 588,732,392</u>
Other Property and Investments				
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		<u>\$ 1,221,720</u>	<u>\$ -</u>	<u>\$ 1,221,720</u>
Current and Accrued Assets				
Cash	131	\$ 7,162,535	\$ 6,277,191	\$ 885,344
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,767	4,763
Temporary Cash Investments	136	13,671,874	11,981,926	1,689,948
Customer Accounts Receivable	142	76,011,996	59,746,879	16,265,117
Other Accounts Receivable	143	12,332,418	10,808,037	1,524,381
Less: Accum Prov for Uncollectable Accts-Credit	144	2,288,955	2,006,023	282,932
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	7,502,801	6,688,054	814,747
Fuel	151	88,011,247	76,827,218	11,184,029
Plant Materials and Operating Supplies	154	35,604,100	30,868,114	4,735,986
Allowances	158 1	324,397	281,242	43,155
Less. Non-Current Portion of Allowances	158 1	-	-	-
Stores Expense Undistributed	163	10,400,123	9,016,725	1,383,398
Prepayments	165	7,672,504	6,745,527	926,977
Interest, Dividends, and Rents Receivable	171-172	504,508	442,147	62,361
Accrued Utility Revenues	173	83,946,327	70,441,996	13,504,331
Miscellaneous Current Assets	174-175	7,142,276	6,259,436	882,840
Total Current and Accrued Assets		<u>\$ 348,036,681</u>	<u>\$ 294,412,236</u>	<u>\$ 53,624,446</u>
Deferred Debits				
Unamortized Debt Expense	181	\$ 19,463,065	\$ 17,057,282	\$ 2,405,783
Deferred Regulatory Assets	182	285,920,284	243,897,426	42,022,858
Preliminary Survey and Inventory	183	5,249,306	4,600,452	648,854
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	39,021,595	33,834,783	5,186,811
Unamortized Loss on Bonds	189	11,174,052	9,792,854	1,381,198
Accumulated Deferred Income Taxes	190	162,326,629	142,494,189	19,832,440
Total Deferred Debits		<u>\$ 523,154,931</u>	<u>\$ 451,676,986</u>	<u>\$ 71,477,945</u>
Total Assets		<u>\$ 5,584,584,956</u>	<u>\$ 4,869,528,454</u>	<u>\$ 715,056,502</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 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	\$ 270,051,533	\$ 38,088,445
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,815,622	39,042,461
Other Comprehensive Income	219	(414,003)	-	(414,003)
(Less) Common Stock Expense	214	321,289	281,575	39,714
Retained Earnings	215-216	1,544,620,113	1,353,693,323	190,926,790
Unappropriated Undistributed Subsidiary Earnings	216.1	8,900,202	-	8,900,202
Total Proprietary Capital		\$ 2,176,783,084	\$ 1,900,278,903	\$ 276,504,181
Long-Term Debt				
Bonds	221-222	\$ 1,850,779,405	\$ 1,622,008,998	\$ 228,770,407
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	(9,552,594)	(8,371,821)	(1,180,773)
Total Long-Term		\$ 1,841,226,811	\$ 1,613,637,177	\$ 227,589,634
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,330,079	2,077,050	253,029
Accumulated Provision for Pensions and Benefits	228.3	164,960,206	147,046,783	17,913,423
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 167,290,285	\$ 149,123,833	\$ 18,166,452
Current and Accrued Liabilities				
Notes Payable	231	\$ 69,991,513	\$ 61,340,029	\$ 8,651,484
Accounts Payable	232	155,544,176	138,653,263	16,890,913
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	33,264,763	-	33,264,763
Customer Deposits	235	24,810,221	23,947,834	862,388
Taxes Accrued	236	26,203,000	22,964,110	3,238,890
Interest Accrued	237	10,121,873	8,870,733	1,251,140
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,801,493	3,215,592	585,901
Miscellaneous Current and Accrued Liabilities	242-244	17,677,735	16,338,879	1,338,857
Total Current and Accrued Liabilities		\$ 341,414,775	\$ 275,330,439	\$ 66,084,336
Deferred Credits				
Customer Advances for Construction	252	\$ 2,985,264	\$ 2,985,264	\$ -
Accumulated Deferred Investment Tax Credits	255	98,607,658	84,680,119	13,927,539
Other Deferred Credits	253	24,502,327	21,260,260	3,242,067
Regulatory Liabilities	254	116,493,151	100,956,704	15,536,447
Asset Retirement Obligation	230	69,570,067	60,315,111	9,254,956
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	745,711,533	654,603,381	91,108,152
Total Deferred Credits		\$ 1,057,870,000	\$ 924,800,839	\$ 133,069,161
Total Liabilities and Stockholders Equity		\$ 5,584,584,956	\$ 4,863,171,192	\$ 721,413,764
Adjustment to Balance		-	\$ (6,357,262)	\$ 6,357,262

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 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	\$ 523,091,322	488,363,637	\$ 34,727,686
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		347,449,324	330,359,286	17,090,039
Large (or Ind) - Industrial & Mine Power		381,467,139	364,610,546	16,856,593
Public Street and Highway Lighting	444	10,252,532	9,928,382	324,150
Other Sales to Public Authorities	445	117,194,322	110,294,240	6,900,081
Total Sales to Ultimate Consumers		<u>\$ 1,379,454,639</u>	<u>\$ 1,303,556,090</u>	<u>\$ 75,898,549</u>
Sales for Resale	447	113,593,469	12,078,826	101,514,643
Total Sales of Electricity		<u>\$ 1,493,048,108</u>	<u>\$ 1,315,634,916</u>	<u>\$ 177,413,193</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,493,048,108</u>	<u>\$ 1,315,634,916</u>	<u>\$ 177,413,193</u>
Other Operating Revenues:				
Late Payment Charges	450	7,168,971	6,944,308	224,663
Miscellaneous Service Revenues	451	1,852,649	1,699,903	152,746
Rent from Electric Property	454	2,965,969	2,755,581	210,388
Other Electric Revenues	456	18,790,232	14,554,869	4,235,363
Total Other Operating Revenues		<u>\$ 30,777,821</u>	<u>\$ 25,954,661</u>	<u>\$ 4,823,160</u>
Total Operating Revenue		<u>\$ 1,523,825,929</u>	<u>\$ 1,341,589,576</u>	<u>\$ 182,236,353</u>
Operating Expenses:				
Operation Expenses	401	\$ 841,062,283	\$ 739,590,494	101,471,789
Maintenance Expenses	402	142,533,486	124,818,876	17,714,610
Depreciation Expense	403	188,926,196	164,785,413	24,140,784
Amortization of Limited-Term Electric Plant	404	8,042,642	7,014,105	1,028,537
Regulatory Credits	407	(6,451,229)	(5,602,332)	(848,897)
Taxes Other than Income Taxes	408.1	31,089,947	27,633,924	3,456,023
Income Taxes - Federal	409.1	(19,049,875)	Total Income Taxes	
Income Taxes - State	409.1	(1,698,913)		
Deferred Federal Income Taxes - Net	410-1.1	102,148,598		
Deferred State Income Taxes - Net	410-1.1	12,895,042		
Accretion Expense	411.1	3,193,456	2,774,208	419,248
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(887)	(769)	(118)
Total Utility Operating Expenses		<u>\$ 1,302,690,747</u>	<u>\$ 1,144,832,672</u>	<u>\$ 157,858,075</u>
Net Utility Operating Income		<u>\$ 221,135,182</u>	<u>\$ 196,756,904</u>	<u>\$ 24,378,278</u>

KENTUCKY UTILITIES COMPANY

Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 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		\$ (5,109,711)		
Total Other Income Deductions		11,463,544		
Total Taxes on Other income and Deductions		(10,242,506)		
Net Other Income and Deductions		\$ (6,330,749)		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 61,040,186		
Amortization of Debt Discount and Expense	428	3,189,818		
Amortization of Loss on Re-Acquired Debt	428.1	605,066		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	9,611		
Other Interest Expense	431	3,972,850		
Allowance for Borrowed Funds Used During Construction	432	(14,025)		
Net Interest Charges		\$ 68,803,505	\$ 59,598,874	\$ 9,204,631
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 146,000,929		