



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, 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,

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

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FEB 14 2014

PUBLIC SERVICE
COMMISSION

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KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 2013

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	\$ 6,969,992,612	\$ 6,109,393,920	\$ 860,598,692
Plus: Construction Work in Progress	107	1,136,812,872	993,501,971	145,110,901
Total Utility Plant		\$ 8,108,805,484	\$ 7,102,895,891	\$ 1,005,709,583
Less: Accumulated Provision for Depreciation	108,111	2,647,410,913	2,304,221,652	343,189,261
Net Utility Plant		\$ 5,461,394,571	\$ 4,798,674,239	\$ 662,520,332
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	125-126	-	-	-
Total Other Property and Investments		\$ 1,221,720	\$ -	\$ 1,221,720
Current and Accrued Assets				
Cash	131	\$ 4,995,915	\$ 4,395,326	\$ 600,589
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,896	4,632
Temporary Cash Investments	136	15,653,517	13,771,713	1,881,804
Customer Accounts Receivable	142	123,112,411	108,205,468	16,906,948
Other Accounts Receivable	143	11,185,718	9,841,015	1,344,703
Less: Accum Prov for Uncollectable Accts-Credit	144	4,363,968	3,856,945	527,023
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	65,306	58,391	6,915
Fuel	151	77,806,312	68,167,723	9,640,589
Plant Materials and Operating Supplies	154	36,405,243	31,676,585	4,728,678
Allowances	158.1	293,509	258,081	37,428
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	183	10,213,703	8,887,045	1,326,658
Prepayments	165	5,913,825	5,215,688	897,957
Interest, Dividends, and Rents Receivable	171-172	941,160	828,017	113,143
Accrued Utility Revenues	173	94,441,382	79,091,763	15,349,619
Miscellaneous Current Assets	174-175	-	-	-
Total Current and Accrued Assets		\$ 378,684,363	\$ 324,571,726	\$ 52,112,638
Deferred Debits				
Unamortized Debt Expense	181	\$ 19,877,251	\$ 17,487,688	\$ 2,389,585
Deferred Regulatory Assets	182	237,578,508	211,572,234	26,006,275
Preliminary Survey and Inventory	183	2,370,925	2,085,901	285,023
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	188	38,985,723	34,001,188	4,984,535
Unamortized Loss on Bonds	189	9,638,318	8,479,635	1,158,681
Accumulated Deferred Income Taxes	190	208,306,280	183,131,021	25,175,259
Total Deferred Debits		\$ 518,737,002	\$ 456,757,665	\$ 69,979,337
Total Assets		\$ 8,355,837,857	\$ 5,580,003,829	\$ 775,834,026

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 2013

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	\$ 271,098,600	\$ 37,043,378
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	472,858,083	418,012,943	58,845,140
Other Comprehensive Income	219	(917,020)	-	(917,020)
(Less) Common Stock Expense	214	321,289	282,665	38,624
Retained Earnings	215-218	1,857,535,909	1,458,273,458	199,282,453
Unappropriated Undistributed Subsidiary Earnings	216 1	-	-	-
Total Proprietary Capital		\$ 2,437,295,881	\$ 2,145,100,334	\$ 292,195,327
Long-Term Debt				
Bonds	221-222	\$ 2,100,779,405	\$ 1,848,231,981	\$ 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	228	(10,709,837)	(9,422,342)	(1,287,495)
Total Long-Term		\$ 2,090,069,568	\$ 1,838,809,819	\$ 251,259,949
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228 2	2,184,309	1,953,010	231,298
Accumulated Provision for Pensions and Benefits	228 3	60,188,282	53,795,213	8,371,049
Accumulated Miscellaneous Operating Provision	228 4	-	-	-
Total Other Non-Current Liabilities		\$ 62,350,570	\$ 55,748,223	\$ 8,802,347
Current and Accrued Liabilities				
Notes Payable	231	\$ 149,967,368	\$ 131,938,878	\$ 18,028,488
Accounts Payable	232	172,852,307	154,370,031	18,282,276
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	25,347,065	-	25,347,065
Customer Deposits	235	25,854,975	24,750,051	904,924
Taxes Accrued	236	32,514,050	28,605,338	3,908,712
Interest Accrued	237	11,524,331	10,138,821	1,385,410
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,594,183	4,059,933	534,250
Miscellaneous Current and Accrued Liabilities	242-244	18,831,458	15,579,147	1,252,309
Total Current and Accrued Liabilities		\$ 439,085,732	\$ 389,442,298	\$ 89,843,434
Deferred Credits				
Customer Advances for Construction	252	\$ 2,882,357	\$ 2,862,357	\$ -
Accumulated Deferred Investment Tax Credits	255	98,738,400	83,238,778	13,497,622
Other Deferred Credits	253	34,583,218	30,158,091	4,407,127
Regulatory Liabilities	254	150,443,179	132,588,068	17,875,113
Asset Retirement Obligation	230	178,860,881	156,052,187	22,808,894
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	261-263	883,550,092	759,184,072	104,368,020
Total Deferred Credits		\$ 1,327,038,128	\$ 1,184,081,551	\$ 182,954,575
Total Liabilities and Stockholders Equity		\$ 6,355,837,657	\$ 5,673,182,025	\$ 792,655,832
Adjustment to Balance		-	\$ (8,821,804)	\$ 8,821,804

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 2013

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	\$ 591,313,426	556,652,927	\$ 34,660,499
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		364,914,813	348,475,448	18,439,365
Large (or Ind) - Industrial & Mine Power		400,872,504	386,759,083	14,113,421
Public Street and Highway Lighting	444	10,769,516	10,403,529	365,988
Other Sales to Public Authorities	445	119,852,921	113,424,720	6,428,201
Total Sales to Ultimate Consumers		<u>\$ 1,487,723,182</u>	<u>\$ 1,415,715,707</u>	<u>\$ 72,007,475</u>
Sales for Resale	447	121,032,373	12,182,487	108,860,886
Total Sales of Electricity		<u>\$ 1,608,755,555</u>	<u>\$ 1,427,878,194</u>	<u>\$ 180,877,361</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,608,755,555</u>	<u>\$ 1,427,878,194</u>	<u>\$ 180,877,361</u>
Other Operating Revenues:				
Late Payment Charges	450	3,571,809	3,401,836	169,771
Miscellaneous Service Revenues	451	2,222,383	2,084,986	137,397
Rent from Electric Property	454	3,919,821	3,696,798	223,023
Other Electric Revenues	456	18,324,816	12,142,334	4,182,282
Total Other Operating Revenues		<u>\$ 26,038,428</u>	<u>\$ 21,325,955</u>	<u>\$ 4,712,473</u>
Total Operating Revenue		<u>\$ 1,634,793,983</u>	<u>\$ 1,449,204,149</u>	<u>\$ 185,589,834</u>
Operating Expenses:				
Operation Expenses	401	\$ 874,937,229	\$ 785,706,108	109,231,123
Maintenance Expenses	402	111,758,018	100,421,764	11,336,252
Depreciation Expense	403	176,119,613	156,557,003	21,562,810
Amortization of Limited-Term Electric Plant	404	7,638,867	6,895,217	941,850
Taxes Other than Income Taxes	406.1	32,726,804	29,215,722	3,511,082
Income Taxes - Federal	409.1	52,507,128	Total Income Taxes 122,399,222 11,610,239	
Income Taxes - State	409.1	11,627,536		
Deferred Federal Income Taxes - Net	410-1.1	61,885,106		
Deferred State Income Taxes - Net	410-1.1	7,989,690		
Investment Tax Credit Adjustment - Net	411.4	-		
Losses/(Gains) from Disposition of Allowances	411.8	(360)	(314)	(46)
Total Utility Operating Expenses		<u>\$ 1,339,187,831</u>	<u>\$ 1,180,994,720</u>	<u>\$ 158,193,110</u>
Net Utility Operating Income		<u>\$ 295,606,152</u>	<u>\$ 268,209,429</u>	<u>\$ 27,396,724</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 2013

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		\$ 1,881,079		
Total Other Income Deductions		1,840,065		
Total Taxes on Other Income and Deductions		(2,673,413)		
Net Other Income and Deductions		\$ 2,714,427		
Interest Charges				
Interest on Long Term Debt	427	\$ 62,125,055		
Amortization of Debt Discount and Expense	428	2,994,154		
Amortization of Loss on Re-Acquired Debt	428.1	1,853,432		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	4,085		
Other Interest Expense	431	3,500,390		
Allowance for Borrowed Funds Used During Construction	432	(172,131)		
Net Interest Charges		\$ 70,304,985	\$ 61,959,601	\$ 8,345,384
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 228,015,594		