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COMMISSION

Mr. Jeff Cline
Annual Report 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
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Rick E. Lovekamp
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November 15, 2010

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 Month 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

"In November 2010, E.ON U.S. LLC was renamed LG&E and KU Energy LLC."

KENTUCKY UTILITIES COMPANY

Balance Sheet on a Total Company and Jurisdictional Basis

At September 30, 2010

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	\$ 5,426,100,677	\$ 4,739,365,288	\$ 686,735,389
Plus: Construction Work in Progress	107	945,364,238	810,328,512	135,035,726
Total Utility Plant		\$ 6,371,464,915	\$ 5,549,693,800	\$ 821,771,115
Less: Accumulated Provision for Depreciation	108,111	2,244,953,371	1,949,591,047	295,362,324
Net Utility Plant		<u>\$ 4,126,511,544</u>	<u>\$ 3,600,102,753</u>	<u>\$ 526,408,791</u>
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	12,373,767	-	12,373,767
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		<u>\$ 12,802,887</u>	<u>\$ -</u>	<u>\$ 12,802,887</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 2,294,104	\$ 2,003,236	\$ 290,868
Special Deposits	132-134	-	-	-
Working Funds	135	39,025	34,077	4,948
Temporary Cash Investments	136	269	235	34
Customer Accounts Receivable	142	107,252,345	81,010,022	26,242,323
Other Accounts Receivable	143	32,678,736	28,535,409	4,143,327
Less: Accum Prov for Uncollectable Accts-Credit	144	3,783,144	3,303,480	479,664
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	101,638	90,789	10,849
Fuel	151	97,727,334	84,867,502	12,859,832
Plant Materials and Operating Supplies	154	32,805,788	28,482,247	4,323,541
Allowances	158.1	563,903	487,525	76,378
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	8,539,664	7,414,206	1,125,458
Prepayments	165	5,362,646	4,722,002	640,644
Interest and Dividends Receivable	171	43,662	38,126	5,536
Accrued Utility Revenues	173	67,294,000	64,395,000	2,899,000
Miscellaneous Current Assets	174-175	52,407	45,762	6,645
Total Current and Accrued Assets		<u>\$ 350,972,377</u>	<u>\$ 298,822,658</u>	<u>\$ 52,149,719</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 4,680,592	\$ 4,087,141	\$ 593,451
Unrecovered Plant and Regulatory Costs	182	-	-	-
Other Regulatory Assets	182.3	228,918,076	206,245,422	22,672,653
Preliminary Survey and Inventory	183	2,324,781	2,030,022	294,758
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	38,884,623	33,621,890	5,262,733
Unamortized Loss on Re-Acquired Debt	189	12,531,333	10,942,489	1,588,844
Accumulated Deferred Income Taxes	190	51,412,682	44,963,573	6,449,109
Total Deferred Debits		<u>\$ 338,752,086</u>	<u>\$ 301,890,538</u>	<u>\$ 36,861,548</u>
Total Assets		<u>\$ 4,829,038,895</u>	<u>\$ 4,200,815,949</u>	<u>\$ 628,222,946</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 30, 2010

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	\$ 269,071,004	\$ 39,068,974
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	275,810,533	40,047,550
Other Comprehensive Income	219	(1,989,397)	(1,737,162)	(252,235)
(Less) Common Stock Expense	214	321,289	280,553	40,736
Retained Earnings	215-216	1,392,973,603	1,216,358,907	176,614,696
Unappropriated Undistributed Subsidiary Earnings	216.1	14,333,935	-	14,333,935
Total Proprietary Capital		\$ 2,028,994,913	\$ 1,759,222,729	\$ 269,772,184
Long-Term Debt				
Bonds	221-222	\$ 350,779,405	\$ 306,304,192	\$ 44,475,213
Long-Term Debt Marked to Market	221.200	-	-	-
Long-Term Debt To Associated Companies	223	1,298,000,000	1,133,426,978	164,573,022
Other Long-Term Debt	224	-	-	-
Unamortized Premium on Long-Term Debt	225	-	-	-
Total Long-Term		\$ 1,648,779,405	\$ 1,439,731,170	\$ 209,048,235
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	3,047,148	2,721,905	325,243
Accumulated Provision for Pensions and Benefits	228.3	149,429,971	133,480,310	15,949,661
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 152,477,119	\$ 136,202,215	\$ 16,274,904
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	108,985,615	97,352,851	11,632,764
Notes Payable to Associated Companies	233	94,183,954	82,242,399	11,941,555
Accounts Payable to Associated Companies	234	52,920,318	-	52,920,318
Customer Deposits	235	22,549,175	22,140,693	408,482
Taxes Accrued	236	8,503,717	7,425,533	1,078,184
Interest Accrued	234,237	19,351,965	16,898,335	2,453,630
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,622,259	3,988,197	634,062
Miscellaneous Current and Accrued Liabilities	242-244	15,755,157	14,752,618	1,002,539
Total Current and Accrued Liabilities		\$ 326,872,160	\$ 244,800,626	\$ 82,071,534
Deferred Credits				
Customer Advances for Construction	252	\$ 3,102,966	\$ 3,095,778	\$ 7,189
Accumulated Deferred Investment Tax Credits	255	104,111,944	89,130,789	14,981,155
Other Deferred Credits	253	30,303,293	26,866,297	3,436,996
Other Regulatory Liabilities	254	49,306,438	41,445,837	7,860,601
Asset Retirement Obligation	230	59,347,357	51,309,061	8,038,296
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	425,743,299	372,338,875	53,404,424
Total Deferred Credits		\$ 671,915,298	\$ 584,186,637	\$ 87,728,662
Total Liabilities and Stockholders Equity		\$ 4,829,038,895	\$ 4,164,143,377	\$ 664,895,518
Adjustment to Balance		\$ -	\$ (36,672,572)	\$ 36,672,572

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2010

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	\$ 536,314,183	501,697,696	\$ 34,616,487		
Commercial and Industrial Sales:	442					
Small (or Comm) - Rural Comm & Comm L&P		335,238,974	320,071,747	15,167,227		
Large (or Ind) - Industrial & Mine Power		357,559,585	344,576,646	12,982,939		
Public Street and Highway Lighting	444	10,570,350	10,285,428	284,922		
Other Sales to Public Authorities	445	107,382,262	101,374,519	6,007,743		
Total Sales to Ultimate Consumers		<u>\$ 1,347,065,354</u>	<u>\$ 1,278,006,037</u>	<u>\$ 69,059,317</u>		
Sales for Resale	447	121,833,363	17,149,114	104,684,249		
Total Sales of Electricity		<u>\$ 1,468,898,716</u>	<u>\$ 1,295,155,151</u>	<u>\$ 173,743,566</u>		
Less: Provision for Refund	449.1	1,101,621	-	1,101,621		
Total Revenues Net of Provision for Refund		<u>\$ 1,467,797,096</u>	<u>\$ 1,295,155,151</u>	<u>\$ 172,641,945</u>		
Other Operating Revenues:						
Late Payment Charges	450	10,011,307	10,010,607	700		
Miscellaneous Service Revenues	451	2,110,927	2,020,221	90,706		
Rent from Electric Property	454	1,374,761	1,298,497	76,264		
Other Electric Revenues	456	10,926,024	9,599,170	1,326,854		
Total Other Operating Revenues		<u>\$ 24,423,018</u>	<u>\$ 22,928,494</u>	<u>\$ 1,494,524</u>		
Total Operating Revenue		<u>\$ 1,492,220,114</u>	<u>\$ 1,318,083,645</u>	<u>\$ 174,136,469</u>		
Operating Expenses:						
Operation Expenses	401	\$ 893,969,400	\$ 782,635,364	111,334,036		
Maintenance Expenses	402	104,816,859	92,371,723	12,445,136		
Depreciation Expense	403	134,645,651	117,579,016	17,066,635		
Amortization of Limited-Term Electric Plant	404	6,605,552	5,769,570	835,983		
Regulatory Credits	407	(4,606,354)	(3,984,441)	(621,914)		
Taxes Other than Income Taxes	408.1	18,150,457	16,217,063	1,933,394		
Income Taxes - Federal	409.1	41,275,933	Total Income Taxes			
Income Taxes - State	409.1	5,831,010			84,540,056	3,733,274
Deferred Federal Income Taxes - Net	410-1.1	32,687,662				
Deferred State Income Taxes - Net	410-1.1	8,478,725				
Accretion Expense	411.1	3,426,108	2,963,716	462,392		
Investment Tax Credit Adjustment - Net	411.4	4,437,888	4,250,199	187,688		
Losses/(Gains) from Disposition of Allowances	411.8	(44,024)	(38,061)	(5,963)		
Total Utility Operating Expenses		<u>\$ 1,249,674,866</u>	<u>\$ 1,102,304,205</u>	<u>\$ 147,370,661</u>		
Net Utility Operating Income		<u>\$ 242,545,248</u>	<u>\$ 215,779,440</u>	<u>\$ 26,765,808</u>		

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2010

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.			
<u>Other Income and Deductions</u>			
Total Other Income		\$ 2,294,065	
Total Other Income Deductions		1,204,389	
Total Taxes on Other income and Deductions		807,783	
Net Other Income and Deductions		\$ 281,894	
<u>Interest Charges</u>			
Interest on Long Term Debt	427	\$ 75,891,263	
Amortization of Debt Discount and Expense	428	216,305	
Amortization of Loss on Re-Acquired Debt	428.1	604,724	
Amortization of Premium on Debt - Credit	429	-	
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-	
Interest on Debt to Associated Companies	430	108,174	
Other Interest Expense	431	3,456,641	
Allowance for Borrowed Funds Used During Construction	432	(999,737)	
Net Interest Charges		\$ 79,277,370	\$ 69,345,649
Cumulative Effect of Accounting Change, Net of Tax		\$ -	
Net Income		\$ 163,549,772	