



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, 2011

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

FEB 14 2011

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
Manager - Regulatory Affairs
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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 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

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 2010

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	\$ 5,542,351,018	\$ 4,917,938,519	\$ 624,412,499
Plus: Construction Work in Progress	107	954,430,277	836,505,732	117,924,545
Total Utility Plant		\$ 6,496,781,295	\$ 5,754,444,251	\$ 742,337,044
Less: Accumulated Provision for Depreciation	108,111	2,261,926,782	1,997,759,608	264,167,174
Net Utility Plant		\$ 4,234,854,513	\$ 3,756,684,643	\$ 478,169,870
Other Property and Investments				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	12,465,222	-	12,465,222
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		\$ 12,894,342	\$ -	\$ 12,894,342
Current and Accrued Assets				
Cash	131	\$ 3,132,600	\$ 2,788,386	\$ 344,214
Special Deposits	132-134	418,600	372,604	45,996
Working Funds	135	39,025	34,737	4,288
Temporary Cash Investments	136	200,847	178,778	22,069
Customer Accounts Receivable	142	88,399,097	66,638,282	21,760,815
Other Accounts Receivable	143	33,153,879	29,510,894	3,642,985
Less: Accum Prov for Uncollectable Accts-Credit	144	11,787,658	10,492,418	1,295,240
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	11,996,433	10,822,209	1,174,224
Fuel	151	94,898,528	83,604,530	11,293,998
Plant Materials and Operating Supplies	154	32,560,243	28,871,517	3,688,726
Allowances	158.1	566,579	501,906	64,673
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	8,854,899	7,851,734	1,003,165
Prepayments	165	8,173,724	7,420,367	753,357
Interest and Dividends Receivable	171	21,219	18,887	2,332
Accrued Utility Revenues	173	88,688,000	64,685,000	24,003,000
Miscellaneous Current Assets	174-175	20,501	18,249	2,252
Total Current and Accrued Assets		\$ 359,336,517	\$ 292,825,662	\$ 66,510,855
Deferred Debits				
Unamortized Debt Expense	181	\$ 21,213,643	\$ 18,882,664	\$ 2,330,979
Unrecovered Plant and Regulatory Costs	182	-	-	-
Other Regulatory Assets	182.3	208,403,355	231,650,012	(23,246,657)
Preliminary Survey and Inventory	183	3,594,690	3,199,702	394,989
Clearing Accounts	184	5,281	4,764	517
Miscellaneous Deferred Debits	186	39,153,180	34,691,507	4,461,673
Unamortized Loss on Re-Acquired Debt	189	12,380,090	11,019,752	1,360,338
Accumulated Deferred Income Taxes	190	34,511,064	30,661,726	3,849,338
Total Deferred Debits		\$ 319,261,304	\$ 330,110,127	\$ (10,848,823)
Total Assets		\$ 4,926,346,676	\$ 4,379,620,432	\$ 546,726,244

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 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	\$ 274,281,219	\$ 33,858,759
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	281,151,251	34,706,832
Other Comprehensive Income		(1,993,677)	(1,774,610)	(219,067)
(Less) Common Stock Expense	214	321,289	285,985	35,304
Retained Earnings	215-216	1,439,351,594	1,281,194,064	158,157,530
Unappropriated Undistributed Subsidiary Earnings	216.1	14,432,396	-	14,432,396
Total Proprietary Capital		<u>\$ 2,075,467,084</u>	<u>\$ 1,834,565,939</u>	<u>\$ 240,901,145</u>
Long-Term Debt				
Bonds	221-222	\$ 1,839,956,311	\$ 1,637,779,896	\$ 202,176,415
Long-Term Debt Marked to Market	221.200	-	-	-
Long-Term Debt To Associated Companies	223	-	-	-
Other Long-Term Debt	224	-	-	-
Unamortized Premium on Long-Term Debt	225	-	-	-
Total Long-Term		<u>\$ 1,839,956,311</u>	<u>\$ 1,637,779,896</u>	<u>\$ 202,176,415</u>
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,422,714	2,185,576	237,138
Accumulated Provision for Pensions and Benefits	228.3	180,134,598	162,502,823	17,631,775
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		<u>\$ 182,557,312</u>	<u>\$ 164,688,399</u>	<u>\$ 17,868,913</u>
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	76,307,787	68,838,696	7,469,091
Notes Payable to Associated Companies	233	10,434,000	9,287,501	1,146,499
Accounts Payable to Associated Companies	234	45,351,362	-	45,351,362
Customer Deposits	235	22,839,133	21,680,313	1,158,821
Taxes Accrued	236	24,614,783	21,910,084	2,704,699
Interest Accrued	234,237	8,149,642	7,254,150	895,492
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,205,425	3,593,990	611,435
Miscellaneous Current and Accrued Liabilities	242-244	15,306,932	(14,248,241)	29,555,174
Total Current and Accrued Liabilities		<u>\$ 207,209,064</u>	<u>\$ 118,316,492</u>	<u>\$ 88,892,572</u>
Deferred Credits				
Customer Advances for Construction	252	\$ 2,869,274	\$ 2,862,085	\$ 7,189
Accumulated Deferred Investment Tax Credits	255	104,094,169	91,362,589	12,731,580
Other Deferred Credits	253	8,491,442	7,522,331	969,111
Other Regulatory Liabilities	254	55,112,630	49,431,788	5,680,842
Asset Retirement Obligation	230	53,981,306	47,819,552	6,161,754
Miscellaneous Long-Term Liabilities	244	902	802	100
Accumulated Deferred Income Taxes	281-283	396,607,181	352,369,918	44,237,263
Total Deferred Credits		<u>\$ 621,156,905</u>	<u>\$ 551,369,065</u>	<u>\$ 69,787,840</u>
Total Liabilities and Stockholders Equity		<u>\$ 4,926,346,676</u>	<u>\$ 4,306,719,791</u>	<u>\$ 619,626,885</u>
Adjustment to Balance		-	\$ (72,900,641)	\$ 72,900,641

KENTUCKY UTILITIES COMPANY

Income Statement on a Total Company and Jurisdictional Basis
 Twelve Months Ended December 31, 2010

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	\$ 545,709,127	507,146,417	\$ 38,562,710
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		342,592,061	325,111,883	17,480,178
Large (or Ind) - Industrial & Mine Power		362,330,512	347,614,048	14,716,465
Public Street and Highway Lighting	444	10,907,521	10,595,235	312,286
Other Sales to Public Authorities	445	109,603,458	102,854,892	6,748,566
Total Sales to Ultimate Consumers		\$ 1,371,142,679	\$ 1,293,322,475	\$ 77,820,205
Sales for Resale	447	117,277,200	14,512,721	102,764,479
Total Sales of Electricity		\$ 1,488,419,879	\$ 1,307,835,196	\$ 180,584,683
Less: Provision for Refund	449.1	632,384	(6)	632,390
Total Revenues Net of Provision for Refund		\$ 1,487,787,495	\$ 1,307,835,202	\$ 179,952,293
Other Operating Revenues:				
Late Payment Charges	450	10,084,782	9,988,326	96,456
Miscellaneous Service Revenues	451	2,309,143	2,197,507	111,636
Rent from Electric Property	454	990,053	941,742	48,311
Other Electric Revenues	456	10,538,239	9,486,135	1,052,103
Total Other Operating Revenues		\$ 23,922,217	\$ 22,613,710	\$ 1,308,506
Total Operating Revenue		\$ 1,511,709,711	\$ 1,330,448,912	\$ 181,260,799
Operating Expenses:				
Operation Expenses	401	\$ 887,353,353	\$ 787,401,749	99,951,604
Maintenance Expenses	402	107,813,985	96,209,839	11,604,146
Depreciation Expense	403	139,282,041	124,235,445	15,046,596
Amortization of Limited-Term Electric Plant	404	6,603,464	5,860,004	743,460
Regulatory Credits	407	(5,149,557)	(4,563,078)	(586,479)
Taxes Other than Income Taxes	408.1	19,893,479	18,005,941	1,887,538
Income Taxes - Federal	409.1	61,659,449	Total Income Taxes	
Income Taxes - State	409.1	12,756,393		
Provision for Deferred Income Taxes	410.1	225,592,269		
Provision for Deferred Income Taxes - Credit	411.1	(200,005,779)		
Accretion Expense	411.1	3,498,905	3,100,662	398,243
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(56,751)	(50,273)	(6,478)
Total Utility Operating Expenses		\$ 1,259,241,250	\$ 1,114,122,436	\$ 145,118,815
Net Utility Operating Income		\$ 252,468,461	\$ 216,326,476	\$ 36,141,984

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 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.			
Other Income and Deductions			
Total Other Income		\$ 1,393,858	
Total Other Income Deductions		1,063,902	
Total Taxes on Other income and Deductions		(1,320,210)	
Net Other Income and Deductions		\$ 1,650,166	
Interest Charges			
Interest on Long Term Debt	427	\$ 74,444,442	
Amortization of Debt Discount and Expense	428	584,124	
Amortization of Loss on Re-Acquired Debt	428.1	604,818	
Amortization of Premium on Debt - Credit	429	-	
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-	
Interest on Debt to Associated Companies	430	124,043	
Other Interest Expense	431	3,835,380	
Allowance for Borrowed Funds Used During Construction	432	(968,597)	
Net Interest Charges		\$ 78,624,210	\$ 69,984,896
Cumulative Effect of Accounting Change, Net of Tax		\$ -	\$ 8,639,314
Net Income		\$ 175,494,417	