



a PPL company

Mr. Jeff Cline
Annual Report Branch
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

May 13, 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

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MAY 13 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,

A handwritten signature in black ink that reads "Rick E. Lovekamp".

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2011

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	\$ 6,260,173,245	\$ 5,469,210,594	\$ 790,962,651
Plus: Construction Work in Progress	107	275,053,240	236,213,450	38,839,790
Total Utility Plant		\$ 6,535,226,485	\$ 5,705,424,044	\$ 829,802,441
Less: Accumulated Provision for Depreciation	108,111	2,294,097,036	1,994,726,789	299,370,247
Net Utility Plant		<u>\$ 4,241,129,449</u>	<u>\$ 3,710,697,255</u>	<u>\$ 530,432,194</u>
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	12,916,181	-	12,916,181
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		<u>\$ 13,345,301</u>	<u>\$ -</u>	<u>\$ 13,345,301</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 32,533,420	\$ 28,434,584	\$ 4,098,836
Special Deposits	132-134	511,450	447,013	64,437
Working Funds	135	39,030	34,113	4,917
Temporary Cash Investments	136	24,006,083	20,981,593	3,024,490
Customer Accounts Receivable	142	78,357,795	63,578,796	14,778,999
Other Accounts Receivable	143	15,645,118	13,674,013	1,971,105
Less: Accum Prov for Uncollectable Accts-Credit	144	8,464,288	7,397,885	1,066,403
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	2,400	2,142	258
Fuel	151	90,317,258	78,571,785	11,745,473
Plant Materials and Operating Supplies	154	33,292,754	29,035,910	4,256,844
Allowances	158.1	540,134	468,280	71,854
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,353,558	8,157,602	1,195,956
Prepayments	165	7,705,071	6,781,882	923,189
Interest and Dividends Receivable	171	9,992	8,733	1,259
Accrued Utility Revenues	173	73,235,000	61,634,000	11,601,000
Miscellaneous Current Assets	174-175	144,469	126,268	18,201
Total Current and Accrued Assets		<u>\$ 357,229,244</u>	<u>\$ 304,538,829</u>	<u>\$ 52,690,416</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 20,951,061	\$ 18,311,469	\$ 2,639,592
Deferred Regulatory Assets	182	278,343,043	238,700,695	39,642,348
Preliminary Survey and Inventory	183	3,666,958	3,204,964	461,995
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	39,398,290	34,158,830	5,239,460
Unamortized Loss on Bonds	189	12,228,847	10,688,153	1,540,694
Accumulated Deferred Income Taxes	190	95,312,656	83,390,102	11,922,554
Total Deferred Debits		<u>\$ 449,900,855</u>	<u>\$ 388,454,213</u>	<u>\$ 61,446,643</u>
Total Assets		<u>\$ 5,061,604,850</u>	<u>\$ 4,403,690,296</u>	<u>\$ 657,914,554</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2011

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	\$ 269,317,889	\$ 38,822,089
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,063,602	39,794,481
Other Comprehensive Income		(2,499,969)	(2,185,002)	(314,967)
(Less) Common Stock Expense	214	321,289	280,810	40,479
Retained Earnings	215-216	1,463,485,376	1,279,103,071	184,382,305
Unappropriated Undistributed Subsidiary Earnings	216.1	15,711,983	-	15,711,983
Total Proprietary Capital		\$ 2,100,374,162	\$ 1,822,018,750	\$ 278,355,412
Long-Term Debt				
Bonds	221-222	\$ 1,850,779,405	\$ 1,617,602,512	\$ 233,176,893
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	(10,664,281)	(9,320,705)	(1,343,576)
Total Long-Term		\$ 1,840,115,124	\$ 1,608,281,807	\$ 231,833,317
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,384,017	2,128,118	255,899
Accumulated Provision for Pensions and Benefits	228.3	136,005,405	121,406,684	14,598,721
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 138,389,422	\$ 123,534,802	\$ 14,854,620
Current and Accrued Liabilities				
Notes Payable	231	-	-	-
Accounts Payable	232	76,815,641	68,570,307	8,245,334
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	38,226,572	-	38,226,572
Customer Deposits	235	22,823,009	22,320,855	502,154
Taxes Accrued	236	23,861,888	20,855,565	3,006,323
Interest Accrued	234,237	23,475,407	20,517,776	2,957,631
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,031,601	3,430,278	601,323
Miscellaneous Current and Accrued Liabilities	242-244	16,120,727	14,959,716	1,161,011
Total Current and Accrued Liabilities		\$ 205,354,846	\$ 150,654,497	\$ 54,700,349
Deferred Credits				
Customer Advances for Construction	252	\$ 2,874,868	\$ 2,867,680	\$ 7,189
Accumulated Deferred Investment Tax Credits	255	103,507,851	88,911,548	14,596,303
Other Deferred Credits	253	16,560,938	14,603,229	1,957,709
Regulatory Liabilities	254	117,393,178	103,443,181	13,949,997
Asset Retirement Obligation	230	54,658,038	47,386,917	7,271,121
Miscellaneous Long-Term Liabilities	244	6,643	5,806	837
Accumulated Deferred Income Taxes	281-283	482,369,780	422,030,679	60,339,101
Total Deferred Credits		\$ 777,371,297	\$ 679,249,040	\$ 98,122,257
Total Liabilities and Stockholders Equity		\$ 5,061,604,850	\$ 4,383,738,896	\$ 677,865,955
Adjustment to Balance		-	\$ (19,951,401)	\$ 19,951,401

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2011

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	\$ 544,479,056	507,825,684	\$ 36,653,372
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		350,227,833	332,508,817	17,719,016
Large (or Ind) - Industrial & Mine Power		373,172,972	357,722,101	15,450,870
Public Street and Highway Lighting	444	11,393,626	11,006,268	387,358
Other Sales to Public Authorities	445	112,670,055	105,748,233	6,921,821
Total Sales to Ultimate Consumers		<u>\$ 1,391,943,542</u>	<u>\$ 1,314,811,104</u>	<u>\$ 77,132,438</u>
Sales for Resale	447	121,269,834	17,099,851	104,169,983
Total Sales of Electricity		<u>\$ 1,513,213,376</u>	<u>\$ 1,331,910,954</u>	<u>\$ 181,302,422</u>
Less: Provision for Refund	449.1	(355,385)	(6)	(355,379)
Total Revenues Net of Provision for Refund		<u>\$ 1,513,568,761</u>	<u>\$ 1,331,910,960</u>	<u>\$ 181,657,801</u>
Other Operating Revenues:				
Late Payment Charges	450	9,327,113	9,157,499	169,614
Miscellaneous Service Revenues	451	2,382,727	2,257,050	125,677
Rent from Electric Property	454	1,057,961	968,009	89,953
Other Electric Revenues	456	11,260,808	7,439,200	3,821,608
Total Other Operating Revenues		<u>\$ 24,028,610</u>	<u>\$ 19,821,758</u>	<u>\$ 4,206,852</u>
Total Operating Revenue		<u>\$ 1,537,597,371</u>	<u>\$ 1,351,732,718</u>	<u>\$ 185,864,653</u>
Operating Expenses:				
Operation Expenses	401	\$ 878,829,888	\$ 770,343,422	108,486,466
Maintenance Expenses	402	109,746,893	96,826,589	12,920,304
Depreciation Expense	403	151,138,301	132,717,223	18,421,078
Amortization of Limited-Term Electric Plant	404	6,594,409	5,761,204	833,206
Regulatory Credits	407	(5,940,201)	(5,151,771)	(788,431)
Taxes Other than Income Taxes	408.1	21,337,850	19,081,417	2,256,433
Income Taxes - Federal	409.1	53,938,279		
Income Taxes - State	409.1	13,031,186	95,181,251	13,365,121
Deferred Federal Income Taxes - Net	410-1.1	37,796,519		
Deferred State Income Taxes - Net	410-1.1	3,780,388		
Accretion Expense	411.1	3,631,504	3,149,800	481,704
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(16,020)	(13,889)	(2,131)
Total Utility Operating Expenses		<u>\$ 1,273,868,996</u>	<u>\$ 1,117,895,246</u>	<u>\$ 155,973,750</u>
Net Utility Operating Income		<u>\$ 263,728,375</u>	<u>\$ 233,837,472</u>	<u>\$ 29,890,903</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2011

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		\$ (62,310)	
Total Other Income Deductions		1,867,366	
Total Taxes on Other income and Deductions		(2,659,886)	
Net Other Income and Deductions		\$ 730,209	
<u>Interest Charges</u>			
Interest on Long Term Debt	427	\$ 70,677,066	
Amortization of Debt Discount and Expense	428	1,250,685	
Amortization of Loss on Re-Acquired Debt	428.1	604,911	
Amortization of Premium on Debt - Credit	429	-	
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-	
Interest on Debt to Associated Companies	430	107,136	
Other Interest Expense	431	4,389,156	
Allowance for Borrowed Funds Used During Construction	432	(731,782)	
Net Interest Charges		\$ 76,297,171	\$ 66,232,033
Cumulative Effect of Accounting Change, Net of Tax		\$ -	\$ 10,065,138
Net Income		\$ 188,161,413	