



Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

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MAY 13 2011

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COMMISSION

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

LG&E and KU Energy LLC
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Dear Mr. DeRouen:

On February 14, 2011, pursuant to the Commission's Order dated September 30, 2010 in the aforementioned case, specifically Appendix C, Commitment No. 1, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"), (collectively, the "Companies") submitted Balance Sheets and Income Statements for Twelve Month Ended December 31, 2010. On February 16, 2011, KU filed a revised Balance Sheet and Income Statement. However, due to Kentucky jurisdictional reallocations subsequent to the February 16th revision, KU is resubmitting another revised Balance Sheet and Income Statement and apologizes for any inconvenience.

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

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
<u>Utility Plant</u>				
Utility Plant	101-106	\$ 5,542,351,018	\$ 4,842,084,031	\$ 700,266,987
Plus: Construction Work in Progress	107	954,430,277	819,656,835	134,773,442
Total Utility Plant		\$ 6,496,781,295	\$ 5,661,740,866	\$ 835,040,429
Less: Accumulated Provision for Depreciation	108,111	2,261,926,782	1,966,754,621	295,172,161
Net Utility Plant		<u>\$ 4,234,854,513</u>	<u>\$ 3,694,986,245</u>	<u>\$ 539,868,268</u>
<u>Other Property and Investments</u>				
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		<u>\$ 12,894,342</u>	<u>\$ -</u>	<u>\$ 12,894,342</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 3,132,600	\$ 2,737,928	\$ 394,672
Special Deposits	132-134	418,600	365,861	52,739
Working Funds	135	39,025	34,108	4,917
Temporary Cash Investments	136	200,847	175,543	25,304
Customer Accounts Receivable	142	88,399,097	66,638,282	21,760,815
Other Accounts Receivable	143	33,153,879	28,976,872	4,177,007
Less: Accum Prov for Uncollectable Accts-Credit	144	11,787,658	10,302,549	1,485,109
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	11,996,433	10,708,745	1,287,688
Fuel	151	94,898,528	82,557,275	12,341,253
Plant Materials and Operating Supplies	154	32,560,243	28,397,058	4,163,185
Allowances	158.1	566,579	491,207	75,372
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	8,854,899	7,722,703	1,132,196
Prepayments	165	8,173,724	7,194,383	979,341
Interest and Dividends Receivable	171	21,219	18,545	2,674
Accrued Utility Revenues	173	88,688,000	64,685,000	24,003,000
Miscellaneous Current Assets	174-175	20,501	17,918	2,583
Total Current and Accrued Assets		<u>\$ 359,336,517</u>	<u>\$ 290,418,879</u>	<u>\$ 68,917,638</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 21,213,643	\$ 18,540,968	\$ 2,672,675
Regulatory Assets	182	208,403,355	183,632,919	24,770,436
Preliminary Survey and Inventory	183	3,594,690	3,141,801	452,890
Clearing Accounts	184	5,281	4,714	567
Miscellaneous Deferred Debits	186	39,153,180	33,953,979	5,199,201
Unamortized Loss on Re-Acquired Debt	189	12,380,090	10,820,341	1,559,749
Accumulated Deferred Income Taxes	190	34,511,064	30,194,113	4,316,951
Total Deferred Debits		<u>\$ 319,261,304</u>	<u>\$ 280,288,835</u>	<u>\$ 38,972,469</u>
Total Assets		<u>\$ 4,926,346,676</u>	<u>\$ 4,265,693,959</u>	<u>\$ 660,652,717</u>

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	\$ 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		(1,993,677)	(1,742,497)	(251,180)
(Less) Common Stock Expense	214	321,289	280,810	40,479
Retained Earnings	215-216	1,439,351,594	1,258,009,867	181,341,727
Unappropriated Undistributed Subsidiary Earnings	216 1	14,432,396	-	14,432,396
Total Proprietary Capital		\$ 2,075,467,084	\$ 1,801,368,051	\$ 274,099,033
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	(10,823,094)	(9,459,509)	(1,363,585)
Total Long-Term		\$ 1,839,956,311	\$ 1,608,143,003	\$ 231,813,308
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228 1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228 2	2,422,714	2,162,662	260,052
Accumulated Provision for Pensions and Benefits	228 3	180,134,598	160,799,082	19,335,516
Accumulated Miscellaneous Operating Provision	228 4	-	-	-
Total Other Non-Current Liabilities		\$ 182,557,312	\$ 162,961,744	\$ 19,595,568
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	76,307,787	68,116,965	8,190,822
Notes Payable to Associated Companies	233	10,434,000	9,119,436	1,314,564
Accounts Payable to Associated Companies	234	45,351,362	-	45,351,362
Customer Deposits	235	22,839,133	22,358,179	480,954
Taxes Accrued	236	24,614,783	21,513,604	3,101,179
Interest Accrued	234,237	8,149,642	7,122,881	1,026,761
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,205,425	3,563,339	642,086
Miscellaneous Current and Accrued Liabilities	242-244	15,306,932	14,185,463	1,121,469
Total Current and Accrued Liabilities		\$ 207,209,064	\$ 145,979,867	\$ 61,229,197
Deferred Credits				
Customer Advances for Construction	252	\$ 2,869,274	\$ 2,862,085	\$ 7,189
Accumulated Deferred Investment Tax Credits	255	104,094,169	89,415,185	14,678,984
Other Deferred Credits	253	8,491,442	7,395,890	1,095,552
Regulatory Liabilities	254	55,112,630	48,976,384	6,136,246
Asset Retirement Obligation	230	53,981,306	46,800,210	7,181,096
Miscellaneous Long-Term Liabilities	244	902	788	114
Accumulated Deferred Income Taxes	281-283	396,607,181	346,996,029	49,611,152
Total Deferred Credits		\$ 621,156,905	\$ 542,446,571	\$ 78,710,334
Total Liabilities and Stockholders Equity		\$ 4,926,346,676	\$ 4,260,899,236	\$ 665,447,439
Adjustment to Balance		-	\$ (4,794,723)	\$ 4,794,723

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
<u>Utility Operating Income</u>				
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		<u>\$ 1,371,142,679</u>	<u>\$ 1,293,322,475</u>	<u>\$ 77,820,205</u>
Sales for Resale	447	117,277,200	14,231,799	103,045,401
Total Sales of Electricity		<u>\$ 1,488,419,879</u>	<u>\$ 1,307,554,273</u>	<u>\$ 180,865,606</u>
Less: Provision for Refund	449.1	632,384	(6)	632,390
Total Revenues Net of Provision for Refund		<u>\$ 1,487,787,495</u>	<u>\$ 1,307,554,279</u>	<u>\$ 180,233,216</u>
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	6,759,740	3,778,499
Total Other Operating Revenues		<u>\$ 23,922,217</u>	<u>\$ 19,887,315</u>	<u>\$ 4,034,902</u>
Total Operating Revenue		<u>\$ 1,511,709,712</u>	<u>\$ 1,327,441,594</u>	<u>\$ 184,268,118</u>
Operating Expenses:				
Operation Expenses	401	\$ 887,353,353	\$ 777,814,715	109,538,638
Maintenance Expenses	402	107,813,985	95,121,239	12,692,746
Depreciation Expense	403	139,282,041	122,306,031	16,976,010
Amortization of Limited-Term Electric Plant	404	6,603,464	5,769,114	834,350
Regulatory Credits	407	(5,149,557)	(4,466,067)	(683,490)
Taxes Other than Income Taxes	408.1	19,893,479	17,789,785	2,103,694
Income Taxes - Federal	409.1	61,659,449	} Total Income Taxes	12,313,109
Income Taxes - State	409.1	12,756,393		
Deferred Federal Income Taxes - Net	410-1.1	22,275,452		
Deferred State Income Taxes - Net	410-1.1	3,311,038		
Accretion Expense	411.1	3,498,905	3,034,790	464,115
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(56,751)	(49,201)	(7,550)
Total Utility Operating Expenses		<u>\$ 1,259,241,250</u>	<u>\$ 1,105,009,628</u>	<u>\$ 154,231,622</u>
Net Utility Operating Income		<u>\$ 252,468,462</u>	<u>\$ 222,431,966</u>	<u>\$ 30,036,496</u>

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.			
<u>Other Income and Deductions</u>			
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	
<u>Interest Charges</u>			
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	\$ 68,252,088
			\$ 10,372,122
Cumulative Effect of Accounting Change, Net of Tax		\$ -	
Net Income		\$ 175,494,418	