



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, 2012

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 2012

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 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,

A handwritten signature in black ink that reads "Rick E. Lovekamp". The signature is written in a cursive, flowing style.

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, 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	\$ 6,443,488,241	\$ 5,613,976,729	\$ 829,511,512
Plus: Construction Work in Progress	107	339,711,432	296,680,246	43,031,186
Total Utility Plant		\$ 6,783,199,672	\$ 5,910,656,975	\$ 872,542,697
Less: Accumulated Provision for Depreciation	108,111	2,395,037,773	2,080,816,019	314,221,754
Net Utility Plant		\$ 4,388,161,900	\$ 3,829,840,956	\$ 558,320,944
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	13,628,645	-	13,628,645
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		\$ 14,057,765	\$ -	\$ 14,057,765
<u>Current and Accrued Assets</u>				
Cash	131	\$ 31,096,140	\$ 27,190,616	\$ 3,905,524
Special Deposits	132-134	45,500	39,785	5,715
Working Funds	135	39,030	34,128	4,902
Temporary Cash Investments	136	43,674	38,189	5,485
Customer Accounts Receivable	142	71,373,905	58,059,485	13,314,420
Other Accounts Receivable	143	13,700,580	11,979,854	1,720,726
Less: Accum Prov for Uncollectable Accts-Credit	144	2,004,312	1,752,580	251,732
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	39,616	35,231	4,385
Fuel	151	96,745,429	83,949,393	12,796,036
Plant Materials and Operating Supplies	154	34,036,932	29,543,376	4,493,556
Allowances	158.1	450,462	390,412	60,050
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,914,010	8,605,163	1,308,847
Prepayments	165	7,285,320	6,403,337	881,983
Interest and Dividends Receivable	171	21,219	18,554	2,665
Accrued Utility Revenues	173	81,180,950	68,005,443	13,175,507
Miscellaneous Current Assets	174-175	-	-	-
Total Current and Accrued Assets		\$ 343,968,457	\$ 292,540,386	\$ 51,428,071
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 21,600,913	\$ 18,887,943	\$ 2,712,970
Deferred Regulatory Assets	182	268,828,296	229,695,292	39,133,004
Preliminary Survey and Inventory	183	4,051,457	3,542,613	508,843
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	41,140,563	35,662,141	5,478,422
Unamortized Loss on Bonds	189	11,775,117	10,296,220	1,478,897
Accumulated Deferred Income Taxes	190	86,746,693	75,828,798	10,917,895
Total Deferred Debits		\$ 434,143,039	\$ 373,913,008	\$ 60,230,031
Total Assets		\$ 5,180,331,161	\$ 4,496,294,350	\$ 684,036,811

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 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	\$ 269,439,092	\$ 38,700,886
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,187,841	39,670,242
Other Comprehensive Income	219	(2,457,900)	-	(2,457,900)
(Less) Common Stock Expense	214	321,289	280,937	40,352
Retained Earnings	215-216	1,490,663,791	1,303,443,656	187,220,135
Unappropriated Undistributed Subsidiary Earnings	216.1	16,355,595	-	16,355,595
Total Proprietary Capital		\$ 2,128,238,257	\$ 1,848,789,652	\$ 279,448,605
Long-Term Debt				
Bonds	221-222	\$ 1,850,779,405	\$ 1,618,330,497	\$ 232,448,908
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	(10,187,844)	(8,908,300)	(1,279,544)
Total Long-Term		\$ 1,840,591,561	\$ 1,609,422,197	\$ 231,169,364
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,695,348	2,397,031	298,317
Accumulated Provision for Pensions and Benefits	228.3	151,503,931	134,735,742	16,768,189
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 154,199,279	\$ 137,132,773	\$ 17,066,506
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	119,658,899	106,415,262	13,243,637
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	33,178,775	-	33,178,775
Customer Deposits	235	22,862,412	22,340,247	522,165
Taxes Accrued	236	10,729,938	9,382,310	1,347,628
Interest Accrued	234,237	10,619,839	9,286,039	1,333,800
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,805,278	3,210,009	595,269
Miscellaneous Current and Accrued Liabilities	242-244	15,371,963	14,247,438	1,124,525
Total Current and Accrued Liabilities		\$ 216,227,104	\$ 164,881,305	\$ 51,345,798
Deferred Credits				
Customer Advances for Construction	252	\$ 3,155,939	\$ 2,998,149	\$ 157,790
Accumulated Deferred Investment Tax Credits	255	101,407,768	87,006,521	14,401,247
Other Deferred Credits	253	6,945,601	6,037,838	907,763
Regulatory Liabilities	254	108,313,656	94,220,068	14,093,588
Asset Retirement Obligation	230	61,789,582	53,552,579	8,237,003
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	559,462,412	489,048,753	70,413,659
Total Deferred Credits		\$ 841,074,959	\$ 732,863,908	\$ 108,211,051
Total Liabilities and Stockholders Equity		\$ 5,180,331,161	\$ 4,493,089,835	\$ 687,241,325
Adjustment to Balance		-	\$ (3,204,514)	\$ 3,204,514

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 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	\$ 525,604,627	493,162,201	\$ 32,442,427
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		346,999,690	330,846,846	16,152,844
Large (or Ind) - Industrial & Mine Power		381,329,627	364,814,037	16,515,590
Public Street and Highway Lighting	444	11,147,170	10,752,068	395,102
Other Sales to Public Authorities	445	115,557,142	109,191,697	6,365,445
Total Sales to Ultimate Consumers		<u>\$ 1,380,638,257</u>	<u>\$ 1,308,766,850</u>	<u>\$ 71,871,407</u>
Sales for Resale	447	140,153,792	34,510,472	105,643,320
Total Sales of Electricity		<u>\$ 1,520,792,049</u>	<u>\$ 1,343,277,322</u>	<u>\$ 177,514,728</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,520,792,049</u>	<u>\$ 1,343,277,322</u>	<u>\$ 177,514,728</u>
Other Operating Revenues:				
Late Payment Charges	450	7,669,710	7,455,884	213,826
Miscellaneous Service Revenues	451	2,470,663	2,341,512	129,151
Rent from Electric Property	454	1,856,543	1,685,296	171,247
Other Electric Revenues	456	14,728,021	11,183,756	3,544,265
Total Other Operating Revenues		<u>\$ 26,724,937</u>	<u>\$ 22,666,448</u>	<u>\$ 4,058,489</u>
Total Operating Revenue		<u>\$ 1,547,516,986</u>	<u>\$ 1,365,943,770</u>	<u>\$ 181,573,216</u>
Operating Expenses:				
Operation Expenses	401	\$ 865,272,281	\$ 757,303,795	107,968,486
Maintenance Expenses	402	116,303,369	102,358,330	13,945,039
Depreciation Expense	403	181,926,788	158,923,727	23,003,061
Amortization of Limited-Term Electric Plant	404	7,263,444	6,328,857	934,587
Regulatory Credits	407	(5,855,640)	(5,077,896)	(777,744)
Taxes Other than Income Taxes	408.1	28,115,766	24,910,153	3,205,613
Income Taxes - Federal	409.1	(6,941,452)	Total Income Taxes	
Income Taxes - State	409.1	4,455,179		
Deferred Federal Income Taxes - Net	410-1.1	101,588,779		
Deferred State Income Taxes - Net	410-1.1	9,974,460		
Accretion Expense	411.1	2,827,117	2,452,337	374,780
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(3,293)	(2,854)	(439)
Total Utility Operating Expenses		<u>\$ 1,304,926,798</u>	<u>\$ 1,146,604,892</u>	<u>\$ 158,321,906</u>
Net Utility Operating Income		<u>\$ 242,590,188</u>	<u>\$ 219,338,878</u>	<u>\$ 23,251,310</u>

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

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.				
<u>Other Income and Deductions</u>				
Total Other Income		\$ 2,612,767		
Total Other Income Deductions		1,249,995		
Total Taxes on Other income and Deductions		(3,116,020)		
Net Other Income and Deductions		\$ 4,478,792		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 61,240,550		
Amortization of Debt Discount and Expense	428	3,123,234		
Amortization of Loss on Re-Acquired Debt	428.1	604,973		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	6,321		
Other Interest Expense	431	5,371,461		
Allowance for Borrowed Funds Used During Construction	432	(12,955)		
Net Interest Charges		\$ 70,333,584	\$ 60,292,674	\$ 10,040,910
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 176,735,396		