



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 15, 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

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MAY 15 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".

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, 2012

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	\$ 6,492,570,023	\$ 5,653,048,566	\$ 839,521,457
Plus: Construction Work in Progress	107	345,238,438	299,563,000	45,675,438
Total Utility Plant		\$ 6,837,808,461	\$ 5,952,611,566	\$ 885,196,895
Less: Accumulated Provision for Depreciation	108,111	2,419,286,203	2,091,528,460	327,757,743
Net Utility Plant		<u>\$ 4,418,522,258</u>	<u>\$ 3,861,083,106</u>	<u>\$ 557,439,152</u>
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	6,465,196	-	6,465,196
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		<u>\$ 6,894,316</u>	<u>\$ -</u>	<u>\$ 6,894,316</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 26,696,149	\$ 23,367,654	\$ 3,328,495
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,726	4,804
Temporary Cash Investments	136	19,049,263	16,674,188	2,375,075
Customer Accounts Receivable	142	76,300,043	61,858,828	14,441,215
Other Accounts Receivable	143	11,706,473	10,246,902	1,459,571
Less: Accum Prov for Uncollectable Accts-Credit	144	2,181,406	1,909,427	271,979
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	3,237,051	2,878,965	358,086
Fuel	151	86,500,323	75,044,815	11,455,508
Plant Materials and Operating Supplies	154	34,275,060	29,704,618	4,570,442
Allowances	158.1	415,495	359,606	55,889
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,207,802	8,846,550	1,361,252
Prepayments	165	5,995,930	5,271,528	724,402
Interest and Dividends Receivable	171	9,989	8,744	1,245
Accrued Utility Revenues	173	67,598,169	56,527,000	11,071,169
Miscellaneous Current Assets	174-175	887	776	111
Total Current and Accrued Assets		<u>\$ 339,849,758</u>	<u>\$ 288,914,473</u>	<u>\$ 50,935,285</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 20,993,396	\$ 18,375,925	\$ 2,617,471
Deferred Regulatory Assets	182	267,700,866	226,537,135	41,163,731
Preliminary Survey and Inventory	183	4,129,489	3,614,622	514,868
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	41,777,908	36,167,181	5,610,727
Unamortized Loss on Bonds	189	11,623,874	10,174,601	1,449,273
Accumulated Deferred Income Taxes	190	85,241,360	74,623,809	10,617,551
Total Deferred Debits		<u>\$ 431,466,893</u>	<u>\$ 369,493,272</u>	<u>\$ 61,973,621</u>
Total Assets		<u>\$ 5,196,733,225</u>	<u>\$ 4,519,490,851</u>	<u>\$ 677,242,374</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<u>Proprietary Capital</u>				
Common Stock Issued	201	\$ 308,139,978	\$ 269,720,870	\$ 38,419,108
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,476,677	39,381,406
Other Comprehensive Income	219	(5,681,776)	-	(5,681,776)
(Less) Common Stock Expense	214	321,289	281,230	40,059
Retained Earnings	215-216	1,506,021,217	1,318,249,443	187,771,774
Unappropriated Undistributed Subsidiary Earnings	216 1	14,468,539	-	14,468,539
Total Proprietary Capital		<u>\$ 2,138,484,751</u>	<u>\$ 1,864,165,760</u>	<u>\$ 274,318,991</u>
<u>Long-Term Debt</u>				
Bonds	221-222	\$ 1,850,779,405	\$ 1,620,022,939	\$ 230,756,466
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	(10,029,031)	(8,778,605)	(1,250,426)
Total Long-Term		<u>\$ 1,840,750,374</u>	<u>\$ 1,611,244,334</u>	<u>\$ 229,506,040</u>
<u>Other Non-Current Liabilities</u>				
Accumulated Provision for Property Insurance	228 1	-	-	-
Accumulated Provision for Injuries and Damages	228 2	2,630,530	2,339,537	290,993
Accumulated Provision for Pensions and Benefits	228 3	134,724,221	119,820,870	14,903,351
Accumulated Miscellaneous Operating Provision	228 4	-	-	-
Total Other Non-Current Liabilities		<u>\$ 137,354,751</u>	<u>\$ 122,160,407</u>	<u>\$ 15,194,344</u>
<u>Current and Accrued Liabilities</u>				
Notes Payable	231	-	-	-
Accounts Payable	232	89,650,512	79,733,267	9,917,245
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	35,561,725	-	35,561,725
Customer Deposits	235	23,057,678	22,530,992	526,686
Taxes Accrued	236	15,423,196	13,500,221	1,922,975
Interest Accrued	234,237	26,028,639	22,783,370	3,245,269
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,944,890	3,341,899	602,991
Miscellaneous Current and Accrued Liabilities	242-244	16,640,201	15,424,908	1,215,293
Total Current and Accrued Liabilities		<u>\$ 210,306,841</u>	<u>\$ 157,314,657</u>	<u>\$ 52,992,183</u>
<u>Deferred Credits</u>				
Customer Advances for Construction	252	\$ 3,147,887	\$ 2,936,189	\$ 211,698
Accumulated Deferred Investment Tax Credits	255	100,707,741	86,299,725	14,408,016
Other Deferred Credits	253	12,482,364	10,872,414	1,609,950
Regulatory Liabilities	254	108,999,484	94,973,993	14,025,491
Asset Retirement Obligation	230	62,573,226	54,156,512	8,416,714
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	581,925,807	509,441,898	72,483,909
Total Deferred Credits		<u>\$ 869,836,508</u>	<u>\$ 758,680,731</u>	<u>\$ 111,155,777</u>
Total Liabilities and Stockholders Equity		<u>\$ 5,196,733,225</u>	<u>\$ 4,513,565,889</u>	<u>\$ 683,167,336</u>
Adjustment to Balance		-	\$ (5,924,962)	\$ 5,924,962

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2012

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	\$ 509,303,763	476,589,863	\$ 32,713,900
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		341,388,549	325,060,747	16,327,801
Large (or Ind) - Industrial & Mine Power		386,590,977	369,263,988	17,326,990
Public Street and Highway Lighting	444	10,746,105	10,423,250	322,855
Other Sales to Public Authorities	445	116,822,208	110,363,223	6,458,985
Total Sales to Ultimate Consumers		<u>\$ 1,364,851,602</u>	<u>\$ 1,291,701,071</u>	<u>\$ 73,150,530</u>
Sales for Resale	447	131,073,994	28,434,599	102,639,395
Total Sales of Electricity		<u>\$ 1,495,925,596</u>	<u>\$ 1,320,135,670</u>	<u>\$ 175,789,925</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,495,925,596</u>	<u>\$ 1,320,135,670</u>	<u>\$ 175,789,925</u>
Other Operating Revenues:				
Late Payment Charges	450	7,125,786	6,910,624	215,162
Miscellaneous Service Revenues	451	2,350,977	2,206,637	144,340
Rent from Electric Property	454	2,338,708	2,153,990	184,718
Other Electric Revenues	456	14,294,891	10,669,999	3,624,892
Total Other Operating Revenues		<u>\$ 26,110,361</u>	<u>\$ 21,941,250</u>	<u>\$ 4,169,112</u>
Total Operating Revenue		<u>\$ 1,522,035,957</u>	<u>\$ 1,342,076,920</u>	<u>\$ 179,959,037</u>
Operating Expenses:				
Operation Expenses	401	\$ 854,655,710	\$ 747,989,582	106,666,128
Maintenance Expenses	402	126,205,680	110,798,401	15,407,279
Depreciation Expense	403	184,687,594	161,166,061	23,521,533
Amortization of Limited-Term Electric Plant	404	7,505,149	6,534,688	970,461
Regulatory Credits	407	(6,011,854)	(5,207,773)	(804,081)
Taxes Other than Income Taxes	408.1	29,144,074	25,846,050	3,298,024
Income Taxes - Federal	409.1	(17,247,753)		
Income Taxes - State	409.1	1,899,319	89,659,334	8,901,710
Deferred Federal Income Taxes - Net	410-1.1	102,811,976		
Deferred State Income Taxes - Net	410-1.1	11,097,503		
Accretion Expense	411.1	2,934,109	2,542,421	391,687
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(887)	(767)	(119)
Total Utility Operating Expenses		<u>\$ 1,297,680,619</u>	<u>\$ 1,139,327,996</u>	<u>\$ 158,352,622</u>
Net Utility Operating Income		<u>\$ 224,355,338</u>	<u>\$ 202,748,924</u>	<u>\$ 21,606,415</u>

KENTUCKY UTILITIES COMPANY

Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2012

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		\$ 426,850		
Total Other Income Deductions		1,316,803		
Total Taxes on Other income and Deductions		(4,270,774)		
Net Other Income and Deductions		\$ 3,380,821		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 61,076,334		
Amortization of Debt Discount and Expense	428	3,168,966		
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	3,576		
Other Interest Expense	431	5,103,806		
Allowance for Borrowed Funds Used During Construction	432	(13,892)		
Net Interest Charges		\$ 69,943,763	\$ 59,882,590	\$ 10,061,173
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 157,792,397		