



a PPL company

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

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AUG 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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August 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

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 June 30, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<b>Utility Plant</b>				
Utility Plant	101-106	\$ 6,544,649,340	\$ 5,698,393,770	\$ 846,255,570
Plus: Construction Work in Progress	107	389,711,307	338,152,057	51,559,250
Total Utility Plant		<u>\$ 6,934,360,647</u>	<u>\$ 6,036,545,827</u>	<u>\$ 897,814,820</u>
Less: Accumulated Provision for Depreciation	108,111	2,454,979,595	2,122,386,216	332,593,379
Net Utility Plant		<u>\$ 4,479,381,052</u>	<u>\$ 3,914,159,611</u>	<u>\$ 565,221,441</u>
<b>Other Property and Investments</b>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123 1	3,282,916	-	3,282,916
Non-Current Portion of Allowances	158 1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		<u>\$ 3,712,036</u>	<u>\$ -</u>	<u>\$ 3,712,036</u>
<b>Current and Accrued Assets</b>				
Cash	131	\$ 3,277,706	\$ 2,869,039	\$ 408,667
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,726	4,804
Temporary Cash Investments	136	57,287	50,145	7,142
Customer Accounts Receivable	142	82,744,623	67,751,235	14,993,389
Other Accounts Receivable	143	7,549,286	6,608,036	941,250
Less: Accum Prov for Uncollectable Accts-Credit	144	1,775,075	1,553,758	221,317
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	15,005,878	13,345,910	1,659,968
Fuel	151	99,236,648	86,094,429	13,142,219
Plant Materials and Operating Supplies	154	35,695,105	30,935,305	4,759,800
Allowances	158 1	387,776	335,616	52,160
Less: Non-Current Portion of Allowances	158 1	-	-	-
Stores Expense Undistributed	163	10,312,820	8,937,563	1,375,257
Prepayments	165	9,426,409	8,287,551	1,138,858
Interest and Dividends Receivable	171	13,734	12,022	1,712
Accrued Utility Revenues	173	86,027,995	71,909,000	14,118,995
Miscellaneous Current Assets	174-175	-	-	-
Total Current and Accrued Assets		<u>\$ 347,998,723</u>	<u>\$ 295,615,819</u>	<u>\$ 52,382,905</u>
<b>Deferred Debits</b>				
Unamortized Debt Expense	181	\$ 20,390,462	\$ 17,848,165	\$ 2,542,297
Deferred Regulatory Assets	182	267,735,762	226,853,333	40,882,429
Preliminary Survey and Inventory	183	4,116,425	3,603,186	513,239
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	42,022,101	36,374,304	5,647,798
Unamortized Loss on Bonds	189	11,472,631	10,042,215	1,430,416
Accumulated Deferred Income Taxes	190	96,215,020	84,230,604	11,984,416
Total Deferred Debits		<u>\$ 441,952,401</u>	<u>\$ 378,951,807</u>	<u>\$ 63,000,594</u>
Total Assets		<u>\$ 5,273,044,213</u>	<u>\$ 4,588,727,237</u>	<u>\$ 684,316,976</u>

**KENTUCKY UTILITIES COMPANY**  
Balance Sheet on a Total Company and Jurisdictional Basis  
At June 30, 2012

Title of Account Column A	No. Col B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<b>Proprietary Capital</b>				
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	(5,596,455)	-	(5,596,455)
(Less) Common Stock Expense	214	321,289	281,230	40,059
Retained Earnings	215-216	1,515,596,959	1,326,631,274	188,965,685
Unappropriated Undistributed Subsidiary Earnings	216.1	11,146,616	-	11,146,616
<b>Total Proprietary Capital</b>		<b>\$ 2,144,823,892</b>	<b>\$ 1,872,547,591</b>	<b>\$ 272,276,301</b>
<b>Long-Term Debt</b>				
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	(9,870,219)	(8,639,593)	(1,230,626)
<b>Total Long-Term</b>		<b>\$ 1,840,909,186</b>	<b>\$ 1,611,383,346</b>	<b>\$ 229,525,840</b>
<b>Other Non-Current Liabilities</b>				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,513,881	2,235,793	278,088
Accumulated Provision for Pensions and Benefits	228.3	134,046,875	119,218,453	14,828,422
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
<b>Total Other Non-Current Liabilities</b>		<b>\$ 136,560,757</b>	<b>\$ 121,454,246</b>	<b>\$ 15,106,511</b>
<b>Current and Accrued Liabilities</b>				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	117,749,803	104,724,181	13,025,622
Notes Payable to Associated Companies	233	6,336,000	5,546,023	789,977
Accounts Payable to Associated Companies	234	34,625,251	-	34,625,251
Customer Deposits	235	23,801,841	23,127,648	674,193
Taxes Accrued	236	22,722,975	19,889,859	2,833,116
Interest Accrued	234,237	10,205,476	8,933,050	1,272,426
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	4,350,994	3,722,531	628,463
Miscellaneous Current and Accrued Liabilities	242-244	17,721,109	16,367,898	1,353,211
<b>Total Current and Accrued Liabilities</b>		<b>\$ 237,513,449</b>	<b>\$ 182,311,189</b>	<b>\$ 55,202,260</b>
<b>Deferred Credits</b>				
Customer Advances for Construction	252	\$ 3,142,776	\$ 2,936,273	\$ 206,502
Accumulated Deferred Investment Tax Credits	255	100,007,713	85,699,848	14,307,865
Other Deferred Credits	253	17,417,281	15,190,328	2,226,953
Regulatory Liabilities	254	106,992,169	92,865,299	14,126,870
Asset Retirement Obligation	230	63,367,034	54,843,546	8,523,488
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	622,309,957	544,795,852	77,514,105
<b>Total Deferred Credits</b>		<b>\$ 913,236,930</b>	<b>\$ 796,331,146</b>	<b>\$ 116,905,783</b>
<b>Total Liabilities and Stockholders Equity</b>		<b>\$ 5,273,044,213</b>	<b>\$ 4,584,027,519</b>	<b>\$ 689,016,694</b>
Adjustment to Balance		-	\$ (4,699,718)	\$ 4,699,718

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended June 30, 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	\$ 515,739,112	482,113,447	\$ 33,625,665
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		344,566,303	327,715,879	16,850,424
Large (or Ind) - Industrial & Mine Power		388,057,114	370,413,486	17,643,628
Public Street and Highway Lighting	444	10,653,943	10,307,670	346,274
Other Sales to Public Authorities	445	121,018,868	114,287,279	6,731,589
Total Sales to Ultimate Consumers		<u>\$ 1,380,035,340</u>	<u>\$ 1,304,837,761</u>	<u>\$ 75,197,579</u>
Sales for Resale	447	124,341,419	23,274,024	101,067,394
Total Sales of Electricity		<u>\$ 1,504,376,758</u>	<u>\$ 1,328,111,785</u>	<u>\$ 176,264,974</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,504,376,758</u>	<u>\$ 1,328,111,785</u>	<u>\$ 176,264,974</u>
Other Operating Revenues:				
Late Payment Charges	450	7,004,219	6,783,992	220,227
Miscellaneous Service Revenues	451	2,171,715	2,020,115	151,600
Rent from Electric Property	454	2,309,548	2,110,909	198,640
Other Electric Revenues	456	14,404,561	10,683,729	3,720,832
Total Other Operating Revenues		<u>\$ 25,890,044</u>	<u>\$ 21,598,745</u>	<u>\$ 4,291,298</u>
Total Operating Revenue		<u>\$ 1,530,266,802</u>	<u>\$ 1,349,710,531</u>	<u>\$ 180,556,272</u>
Operating Expenses:				
Operation Expenses	401	\$ 856,196,529	\$ 749,338,098	106,858,431
Maintenance Expenses	402	126,581,935	111,128,723	15,453,212
Depreciation Expense	403	186,121,785	162,417,596	23,704,190
Amortization of Limited-Term Electric Plant	404	7,744,129	6,742,766	1,001,363
Regulatory Credits	407	(6,145,997)	(5,323,975)	(822,022)
Taxes Other than Income Taxes	408.1	29,775,690	26,406,190	3,369,500
Income Taxes - Federal	409.1	(16,518,326)	Total Income Taxes	
Income Taxes - State	409.1	122,834		
Deferred Federal Income Taxes - Net	410-1.1	103,947,992		
Deferred State Income Taxes - Net	410-1.1	12,947,794		
Accretion Expense	411.1	3,043,065	2,636,833	406,234
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(887)	(767)	(119)
Total Utility Operating Expenses		<u>\$ 1,303,816,545</u>	<u>\$ 1,144,768,901</u>	<u>\$ 159,047,647</u>
Net Utility Operating Income		<u>\$ 226,450,257</u>	<u>\$ 204,941,630</u>	<u>\$ 21,508,625</u>

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended June 30, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<b>Other Income and Deductions are not separated on a jurisdictional basis.</b>				
<b>Other Income and Deductions</b>				
Total Other Income		\$ (2,662,230)		
Total Other Income Deductions		1,568,639		
Total Taxes on Other income and Deductions		(5,561,707)		
Net Other Income and Deductions		\$ 1,330,837		
<b>Interest Charges</b>				
Interest on Long Term Debt	427	\$ 60,990,753		
Amortization of Debt Discount and Expense	428	3,155,768		
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	4,764		
Other Interest Expense	431	4,703,618		
Allowance for Borrowed Funds Used During Construction	432	(13,309)		
Net Interest Charges		\$ 69,446,566	\$ 59,456,914	\$ 9,989,652
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 158,334,528		