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PUBLIC SERVICE
COMMISSION



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, 2013

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

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 March 31, 2013

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Plant				
Utility Plant	101-106	\$ 6,747,557,894	\$ 5,893,409,213	\$ 854,148,681
Plus: Construction Work in Progress	107	595,662,051	517,278,800	78,383,251
Total Utility Plant		\$ 7,343,219,945	\$ 6,410,688,013	\$ 932,531,932
Less: Accumulated Provision for Depreciation	108,111	2,534,662,116	2,197,162,071	337,500,045
Net Utility Plant		\$ 4,808,557,829	\$ 4,213,525,942	\$ 595,031,887
Other Property and Investments				
Nonutility Property-Less reserve	121-122	\$ 971,720	\$ -	\$ 971,720
Investment in Subsidiary Companies	123 1	-	-	-
Non-Current Portion of Allowances	158 1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		\$ 1,221,720	\$ -	\$ 1,221,720
Current and Accrued Assets				
Cash	131	\$ 10,781,095	\$ 9,461,972	\$ 1,319,123
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,816	4,714
Temporary Cash Investments	136	4,894,309	4,295,465	598,844
Customer Accounts Receivable	142	120,619,555	101,678,478	18,941,076
Other Accounts Receivable	143	2,895,821	2,541,502	354,319
Less: Accum Prov for Uncollectable Accts-Credit	144	1,926,967	1,691,193	235,774
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	948,590	846,202	102,388
Fuel	151	77,535,335	67,686,245	9,849,090
Plant Materials and Operating Supplies	154	35,941,211	31,210,701	4,730,510
Allowances	158.1	304,957	264,916	40,041
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,512,822	9,129,146	1,383,676
Prepayments	165	7,456,623	6,563,652	892,971
Interest, Dividends, and Rents Receivable	171-172	317,955	279,052	38,903
Accrued Utility Revenues	173	85,480,038	72,601,383	12,878,655
Miscellaneous Current Assets	174-175	11,946,150	10,484,476	1,461,674
Total Current and Accrued Assets		\$ 367,746,024	\$ 315,385,813	\$ 52,360,211
Deferred Debits				
Unamortized Debt Expense	181	\$ 18,876,314	\$ 16,566,698	\$ 2,309,616
Deferred Regulatory Assets	182	281,755,886	250,241,671	31,514,215
Preliminary Survey and Inventory	183	5,380,025	4,721,751	658,274
Clearing Accounts	184	1,680,080	1,498,737	181,343
Miscellaneous Deferred Debits	186	39,500,259	34,317,789	5,182,470
Unamortized Loss on Bonds	189	11,022,739	9,674,050	1,348,689
Accumulated Deferred Income Taxes	190	162,789,971	143,115,674	19,674,297
Total Deferred Debits		\$ 521,005,275	\$ 460,136,370	\$ 60,868,905
Total Assets		\$ 5,698,530,849	\$ 4,989,048,125	\$ 709,482,724

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2013

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	\$ 270,437,441	\$ 37,702,537
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	365,858,083	321,093,435	44,764,648
Other Comprehensive Income	219	(829,989)	-	(829,989)
(Less) Common Stock Expense	214	321,289	281,977	39,312
Retained Earnings	215-216	1,604,857,690	1,408,494,965	196,362,725
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		<u>\$ 2,277,704,473</u>	<u>\$ 1,999,743,864</u>	<u>\$ 277,960,609</u>
<u>Long-Term Debt</u>				
Bonds	221-222	\$ 1,850,779,405	\$ 1,624,326,873	\$ 226,452,532
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	(9,393,781)	(8,244,403)	(1,149,378)
Total Long-Term		<u>\$ 1,841,385,624</u>	<u>\$ 1,616,082,470</u>	<u>\$ 225,303,154</u>
<u>Other Non-Current Liabilities</u>				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,114,010	1,885,830	228,180
Accumulated Provision for Pensions and Benefits	228.3	104,350,635	93,087,353	11,263,282
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		<u>\$ 106,464,645</u>	<u>\$ 94,973,183</u>	<u>\$ 11,491,462</u>
<u>Current and Accrued Liabilities</u>				
Notes Payable	231	\$ 114,994,458	\$ 100,924,285	\$ 14,070,173
Accounts Payable	232	154,758,785	138,054,604	16,704,181
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	41,268,229	-	41,268,229
Customer Deposits	235	25,292,827	24,292,135	1,000,692
Taxes Accrued	236	8,676,420	7,614,814	1,061,606
Interest Accrued	237	25,185,912	22,104,284	3,081,628
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,978,467	3,371,448	607,019
Miscellaneous Current and Accrued Liabilities	242-244	17,203,217	16,011,128	1,192,089
Total Current and Accrued Liabilities		<u>\$ 391,358,314</u>	<u>\$ 312,372,698</u>	<u>\$ 78,985,617</u>
<u>Deferred Credits</u>				
Customer Advances for Construction	252	\$ 2,954,079	\$ 2,954,079	\$ -
Accumulated Deferred Investment Tax Credits	255	98,145,875	84,451,590	13,694,285
Other Deferred Credits	253	15,712,667	13,664,042	2,048,625
Regulatory Liabilities	254	113,181,071	99,645,827	13,535,244
Asset Retirement Obligation	230	70,349,072	61,112,077	9,236,995
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	781,275,028	686,852,520	94,422,508
Total Deferred Credits		<u>\$ 1,081,617,792</u>	<u>\$ 948,680,135</u>	<u>\$ 132,937,658</u>
Total Liabilities and Stockholders Equity		<u>\$ 5,698,530,849</u>	<u>\$ 4,971,852,349</u>	<u>\$ 726,678,500</u>
Adjustment to Balance		-	\$ (17,195,776)	\$ 17,195,776

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2013

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income				
Operating Revenues:				
Residential Sales	440	\$ 562,165,117	527,325,113	\$ 34,840,004
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		356,671,771	339,997,285	16,674,486
Large (or Ind) - Industrial & Mine Power		383,147,324	367,613,562	15,533,763
Public Street and Highway Lighting	444	10,275,277	9,939,099	336,178
Other Sales to Public Authorities	445	117,785,529	111,037,386	6,748,143
Total Sales to Ultimate Consumers		<u>\$ 1,430,045,019</u>	<u>\$ 1,355,912,445</u>	<u>\$ 74,132,574</u>
Sales for Resale	447	115,317,848	10,163,600	105,154,248
Total Sales of Electricity		<u>\$ 1,545,362,867</u>	<u>\$ 1,366,076,045</u>	<u>\$ 179,286,821</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,545,362,867</u>	<u>\$ 1,366,076,045</u>	<u>\$ 179,286,821</u>
Other Operating Revenues:				
Late Payment Charges	450	6,240,523	6,040,263	200,260
Miscellaneous Service Revenues	451	1,788,479	1,649,714	138,765
Rent from Electric Property	454	3,054,217	2,843,400	210,817
Other Electric Revenues	456	19,457,905	15,207,719	4,250,186
Total Other Operating Revenues		<u>\$ 30,541,123</u>	<u>\$ 25,741,096</u>	<u>\$ 4,800,027</u>
Total Operating Revenue		<u>\$ 1,575,903,990</u>	<u>\$ 1,391,817,141</u>	<u>\$ 184,086,849</u>
Operating Expenses:				
Operation Expenses	401	\$ 861,408,386	\$ 757,728,676	103,679,710
Maintenance Expenses	402	133,542,182	116,998,141	16,544,041
Depreciation Expense	403	187,512,856	163,804,501	23,708,355
Amortization of Limited-Term Electric Plant	404	7,885,191	6,887,025	998,166
Regulatory Credits	407	(6,951,679)	(6,048,806)	(902,873)
Taxes Other than Income Taxes	408.1	31,554,335	28,079,883	3,474,452
Income Taxes - Federal	409.1	(13,898,875)	Total Income Taxes	
Income Taxes - State	409.1	831,758		
Deferred Federal Income Taxes - Net	410-1.1	110,707,492		
Deferred State Income Taxes - Net	410-1.1	12,881,073		
Accretion Expense	411.1	3,188,738	2,775,545	413,194
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(360)	(312)	(47)
Total Utility Operating Expenses		<u>\$ 1,328,661,098</u>	<u>\$ 1,168,172,800</u>	<u>\$ 160,488,298</u>
Net Utility Operating Income		<u>\$ 247,242,892</u>	<u>\$ 223,644,341</u>	<u>\$ 23,598,551</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2013

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		\$ (3,633,698)		
Total Other Income Deductions		11,627,880		
Total Taxes on Other income and Deductions		(9,402,086)		
Net Other Income and Deductions		\$ (5,859,493)		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 61,032,147		
Amortization of Debt Discount and Expense	428	3,169,051		
Amortization of Loss on Re-Acquired Debt	428.1	605,135		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	10,593		
Other Interest Expense	431	3,730,646		
Allowance for Borrowed Funds Used During Construction	432	(32,107)		
Net Interest Charges		\$ 68,515,466	\$ 59,434,180	\$ 9,081,286
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 172,867,934		