



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, 2014

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'.

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

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MAY 15 2014

PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
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**KENTUCKY UTILITIES COMPANY**  
Balance Sheet on a Total Company and Jurisdictional Basis  
At March 31, 2014

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	\$ 7,031,830,748	\$ 6,163,596,780	\$ 868,233,968
Plus: Construction Work in Progress	107	1,184,598,015	1,033,626,522	150,971,493
<b>Total Utility Plant</b>		<b>\$ 8,216,428,763</b>	<b>\$ 7,197,223,302</b>	<b>\$ 1,019,205,461</b>
Less: Accumulated Provision for Depreciation	108,111	2,685,642,385	2,337,497,101	348,145,284
<b>Net Utility Plant</b>		<b>\$ 5,530,786,377</b>	<b>\$ 4,859,726,201</b>	<b>\$ 671,060,176</b>
<b>Other Property and Investments</b>				
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	-	-	-
<b>Total Other Property and Investments</b>		<b>\$ 1,221,720</b>	<b>\$ -</b>	<b>\$ 1,221,720</b>
<b>Current and Accrued Assets</b>				
Cash	131	\$ 13,949,664	\$ 12,272,690	\$ 1,676,974
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,898	4,632
Temporary Cash Investments	136	6,526,763	5,742,141	784,622
Customer Accounts Receivable	142	149,089,955	130,082,341	19,007,614
Other Accounts Receivable	143	8,571,827	7,541,356	1,030,471
Less: Accum Prov for Uncollectable Accts-Credit	144	4,467,241	3,930,207	537,034
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	104,024	93,008	11,016
Fuel	151	68,042,015	59,611,488	8,430,527
Plant Materials and Operating Supplies	154	36,520,773	31,777,090	4,743,683
Allowances	158.1	257,630	224,776	32,854
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,412,174	9,059,736	1,352,438
Prepayments	165	6,607,342	5,827,509	779,833
Interest, Dividends, and Rents Receivable	171-172	815,498	717,462	98,036
Accrued Utility Revenues	173	80,604,378	66,285,804	14,318,574
Miscellaneous Current Assets	174-175	546	480	66
<b>Total Current and Accrued Assets</b>		<b>\$ 377,073,876</b>	<b>\$ 325,339,572</b>	<b>\$ 51,734,304</b>
<b>Deferred Debits</b>				
Unamortized Debt Expense	181	\$ 19,458,034	\$ 17,118,866	\$ 2,339,168
Deferred Regulatory Assets	182	237,346,729	210,975,422	26,371,307
Preliminary Survey and Inventory	183	2,172,227	1,911,090	261,137
Clearing Accounts	184	1,172,964	1,048,758	124,206
Miscellaneous Deferred Debits	186	39,299,098	34,291,202	5,007,896
Unamortized Loss on Bonds	189	9,456,813	8,319,952	1,136,861
Accumulated Deferred Income Taxes	190	207,130,719	182,097,534	25,033,185
<b>Total Deferred Debits</b>		<b>\$ 516,036,584</b>	<b>\$ 455,762,825</b>	<b>\$ 60,273,759</b>
<b>Total Assets</b>		<b>\$ 6,425,118,557</b>	<b>\$ 5,640,828,598</b>	<b>\$ 784,289,959</b>

**KENTUCKY UTILITIES COMPANY**  
Balance Sheet on a Total Company and Jurisdictional Basis  
At March 31, 2014

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	\$ 271,096,600	\$ 37,043,378
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	512,858,083	451,204,300	61,653,783
Other Comprehensive Income	219	(1,100,212)	-	(1,100,212)
(Less) Common Stock Expense	214	321,289	282,665	38,624
Retained Earnings	215-216	1,696,831,333	1,492,844,939	203,986,394
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
<b>Total Proprietary Capital</b>		<b>\$ 2,516,407,893</b>	<b>\$ 2,214,863,174</b>	<b>\$ 301,544,719</b>
<b>Long-Term Debt</b>				
Bonds	221-222	\$ 2,100,779,405	\$ 1,848,231,961	\$ 252,547,444
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	(10,536,003)	(9,269,406)	(1,266,597)
<b>Total Long-Term</b>		<b>\$ 2,090,243,402</b>	<b>\$ 1,838,962,555</b>	<b>\$ 251,280,847</b>
<b>Other Non-Current Liabilities</b>				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	1,660,089	1,484,301	175,788
Accumulated Provision for Pensions and Benefits	228.3	57,769,160	51,651,942	6,117,218
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
<b>Total Other Non-Current Liabilities</b>		<b>\$ 59,429,249</b>	<b>\$ 53,136,243</b>	<b>\$ 6,293,006</b>
<b>Current and Accrued Liabilities</b>				
Notes Payable	231	\$ 109,989,489	\$ 96,766,985	\$ 13,222,504
Accounts Payable	232	143,991,560	128,744,191	15,247,369
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	41,058,992	-	41,058,992
Customer Deposits	235	26,408,105	25,341,846	1,066,259
Taxes Accrued	236	21,284,747	18,725,978	2,558,769
Interest Accrued	237	29,518,050	25,969,506	3,548,544
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	5,104,822	4,513,039	591,783
Miscellaneous Current and Accrued Liabilities	242-244	16,537,726	15,356,306	1,181,421
<b>Total Current and Accrued Liabilities</b>		<b>\$ 393,893,492</b>	<b>\$ 315,417,851</b>	<b>\$ 78,475,641</b>
<b>Deferred Credits</b>				
Customer Advances for Construction	252	\$ 2,776,231	\$ 2,776,231	\$ -
Accumulated Deferred Investment Tax Credits	255	96,268,586	82,836,239	13,432,347
Other Deferred Credits	253	36,645,808	31,996,325	4,649,483
Regulatory Liabilities	254	148,125,917	130,921,265	17,204,652
Asset Retirement Obligation	230	183,868,941	160,421,609	23,447,332
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	897,459,039	788,994,887	108,464,152
<b>Total Deferred Credits</b>		<b>\$ 1,365,144,522</b>	<b>\$ 1,197,946,556</b>	<b>\$ 167,197,966</b>
<b>Total Liabilities and Stockholders Equity</b>		<b>\$ 6,425,118,557</b>	<b>\$ 5,620,326,379</b>	<b>\$ 804,792,178</b>
Adjustment to Balance		-	\$ (20,502,219)	\$ 20,502,219

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended March 31, 2014

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<b>Utility Operating Income</b>				
<b>Operating Revenues:</b>				
Residential Sales	440	\$ 624,926,593	\$ 586,327,029	\$ 38,599,564
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		375,175,603	357,546,760	17,628,843
Large (or Ind) - Industrial & Mine Power		408,023,860	393,503,849	14,520,011
Public Street and Highway Lighting	444	10,906,590	10,556,421	350,170
Other Sales to Public Authorities	445	124,189,125	117,299,613	6,889,512
Total Sales to Ultimate Consumers		<u>\$ 1,543,221,771</u>	<u>\$ 1,465,233,673</u>	<u>\$ 77,988,098</u>
Sales for Resale	447	130,140,546	16,461,167	113,679,380
Total Sales of Electricity		<u>\$ 1,673,362,317</u>	<u>\$ 1,481,694,839</u>	<u>\$ 191,667,478</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,673,362,317</u>	<u>\$ 1,481,694,839</u>	<u>\$ 191,667,478</u>
<b>Other Operating Revenues:</b>				
Late Payment Charges	450	3,925,202	3,740,315	184,887
Miscellaneous Service Revenues	451	2,203,418	2,069,322	134,096
Rent from Electric Property	454	4,042,919	3,840,018	202,901
Other Electric Revenues	456	17,664,939	13,120,853	4,544,086
Total Other Operating Revenues		<u>\$ 27,836,478</u>	<u>\$ 22,770,508</u>	<u>\$ 5,065,970</u>
<b>Total Operating Revenue</b>		<u>\$ 1,701,198,795</u>	<u>\$ 1,504,465,347</u>	<u>\$ 196,733,448</u>
<b>Operating Expenses:</b>				
Operation Expenses	401	\$ 913,901,033	\$ 799,805,492	\$ 114,095,541
Maintenance Expenses	402	114,803,586	103,158,405	11,645,182
Depreciation Expense	403	177,864,217	156,332,349	21,531,868
Amortization of Limited-Term Electric Plant	404	8,031,091	7,040,832	990,259
Regulatory Credits	407	2,065,789	1,797,488	268,301
Taxes Other than Income Taxes	408.1	33,520,341	29,924,125	3,596,216
Income Taxes - Federal	409.1	59,293,806	Total Income Taxes	
Income Taxes - State	409.1	12,646,521		
Deferred Federal Income Taxes - Net	410-1.1	61,658,473		
Deferred State Income Taxes - Net	410-1.1	8,142,078		
Accretion Expense	411.1	(779,006)	(678,063)	(100,943)
Investment Tax Credit Adjustment - Net	411.4	-		
Losses/(Gains) from Disposition of Allowances	411.8	(546)	(476)	(69)
Total Utility Operating Expenses		<u>\$ 1,391,147,383</u>	<u>\$ 1,226,840,958</u>	<u>\$ 164,306,425</u>
<b>Net Utility Operating Income</b>		<u>\$ 310,051,412</u>	<u>\$ 277,624,389</u>	<u>\$ 32,427,023</u>

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended March 31, 2014

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		\$ 1,759,697		
Total Other Income Deductions		2,161,362		
Total Taxes on Other Income and Deductions		(2,946,358)		
Net Other Income and Deductions		\$ 2,544,693		
<b>Interest Charges</b>				
Interest on Long Term Debt	427	\$ 64,621,590		
Amortization of Debt Discount and Expense	428	2,997,729		
Amortization of Loss on Re-Acquired Debt	428.1	1,883,622		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	2,485		
Other Interest Expense	431	3,369,667		
Allowance for Borrowed Funds Used During Construction	432	(252,631)		
Net Interest Charges		\$ 72,622,462	\$ 64,001,988	\$ 8,620,474
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 239,973,643		