



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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PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
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Louisville, Kentucky 40232
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Rick E. Lovekamp
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November 14, 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,

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 30, 2014

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	\$ 7,607,923,155	\$ 6,668,557,925	\$ 939,365,230
Plus: Construction Work in Progress	107	897,229,831	782,882,073	114,347,758
Total Utility Plant		<u>\$ 8,505,152,986</u>	<u>\$ 7,451,439,998</u>	<u>\$ 1,053,712,988</u>
Less: Accumulated Provision for Depreciation	108,111	2,759,570,567	2,401,841,822	357,728,745
Net Utility Plant		<u>\$ 5,745,582,419</u>	<u>\$ 5,049,598,176</u>	<u>\$ 695,984,243</u>
<u>Other Property and Investments</u>				
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		<u>\$ 1,221,720</u>	<u>\$ -</u>	<u>\$ 1,221,720</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 6,648,757	\$ 5,849,469	\$ 799,288
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	53,693	7,337
Temporary Cash Investments	136	15,196,784	13,369,886	1,826,898
Customer Accounts Receivable	142	128,500,130	111,104,941	17,395,189
Other Accounts Receivable	143	4,420,440	3,889,032	531,408
Less: Accum Prov for Uncollectable Accts-Credit	144	3,195,289	2,811,163	384,126
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	3,454,349	3,088,565	365,784
Fuel	151	77,029,464	67,485,376	9,544,088
Plant Materials and Operating Supplies	154	37,926,560	33,000,279	4,926,281
Allowances	158.1	192,042	167,552	24,490
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,459,555	9,100,962	1,358,593
Prepayments	165	8,805,531	7,766,256	1,039,275
Interest, Dividends, and Rents Receivable	171-172	1,265,569	1,113,427	152,142
Accrued Utility Revenues	173	73,271,845	60,219,250	13,052,595
Miscellaneous Current Assets	174-176	2,804,903	2,467,708	337,195
Total Current and Accrued Assets		<u>\$ 366,841,668</u>	<u>\$ 315,865,233</u>	<u>\$ 50,976,435</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 18,816,120	\$ 16,554,120	\$ 2,262,000
Deferred Regulatory Assets	182	234,877,907	208,093,420	26,784,487
Preliminary Survey and Inventory	183	5,620,168	4,944,534	675,634
Clearing Accounts	184	1,138,774	1,018,189	120,585
Miscellaneous Deferred Debits	186	40,354,338	35,212,515	5,141,823
Unamortized Loss on Bonds	189	9,450,933	8,314,779	1,136,154
Accumulated Deferred Income Taxes	190	189,224,916	166,355,772	22,869,144
Total Deferred Debits		<u>\$ 499,483,156</u>	<u>\$ 440,493,329</u>	<u>\$ 58,989,827</u>
Total Assets		<u>\$ 6,613,128,963</u>	<u>\$ 5,805,956,738</u>	<u>\$ 807,172,224</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 30, 2014

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	\$ 271,096,600	\$ 37,043,378
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	538,858,083	474,078,682	64,779,401
Other Comprehensive Income	219	(1,225,422)	-	(1,225,422)
(Less) Common Stock Expense	214	321,289	282,665	38,624
Retained Earnings	215-216	1,718,028,979	1,511,494,287	206,534,692
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,563,480,329	\$ 2,256,386,904	\$ 307,093,425
Long-Term Debt				
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	(10,187,026)	(8,962,381)	(1,224,645)
Total Long-Term		\$ 2,090,592,379	\$ 1,839,269,580	\$ 251,322,799
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	1,672,390	1,495,300	177,090
Accumulated Provision for Pensions and Benefits	228.3	46,987,366	42,011,841	4,975,525
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 48,659,757	\$ 43,507,141	\$ 5,152,616
Current and Accrued Liabilities				
Notes Payable	231	\$ 129,990,813	\$ 114,363,828	\$ 15,626,985
Accounts Payable	232	174,954,438	156,428,387	18,526,051
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	29,400,563	-	29,400,563
Customer Deposits	235	26,738,302	25,442,336	1,295,966
Taxes Accrued	236	20,787,140	18,288,192	2,498,948
Interest Accrued	237	29,530,478	25,980,440	3,550,038
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	5,205,457	4,555,514	649,943
Miscellaneous Current and Accrued Liabilities	242-245	21,533,059	19,743,631	1,789,428
Total Current and Accrued Liabilities		\$ 438,140,249	\$ 364,802,328	\$ 73,337,920
Deferred Credits				
Customer Advances for Construction	252	\$ 2,465,622	\$ 2,436,205	\$ 29,417
Accumulated Deferred Investment Tax Credits	255	95,332,956	82,031,157	13,301,799
Other Deferred Credits	253	40,389,079	35,303,420	5,085,659
Regulatory Liabilities	254	149,790,701	131,728,752	18,061,949
Asset Retirement Obligation	230	208,595,134	181,994,669	26,600,465
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	975,682,758	857,764,727	117,918,031
Total Deferred Credits		\$ 1,472,256,249	\$ 1,291,258,930	\$ 180,997,319
Total Liabilities and Stockholders Equity		\$ 6,613,128,963	\$ 5,795,224,883	\$ 817,904,080
Adjustment to Balance		-	\$ (10,731,855)	\$ 10,731,855

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2014

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	\$ 627,540,605	\$ 588,183,422	\$ 39,357,183
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		382,189,711	363,925,360	18,264,351
Large (or Ind) - Industrial & Mine Power		424,543,421	410,500,088	14,043,332
Public Street and Highway Lighting	444	11,322,909	11,012,364	310,544
Other Sales to Public Authorities	445	126,854,906	119,873,832	6,981,075
Total Sales to Ultimate Consumers		<u>\$ 1,572,451,552</u>	<u>\$ 1,493,495,067</u>	<u>\$ 78,956,485</u>
Sales for Resale	447	130,805,388	17,163,713	113,641,675
Total Sales of Electricity		<u>\$ 1,703,256,940</u>	<u>\$ 1,510,658,780</u>	<u>\$ 192,598,160</u>
Less: Provision for Refund	449.1	1,817,827	-	1,817,827
Total Revenues Net of Provision for Refund		<u>\$ 1,701,439,113</u>	<u>\$ 1,510,658,780</u>	<u>\$ 190,780,333</u>
Other Operating Revenues:				
Late Payment Charges	450	3,861,788	3,702,321	159,467
Miscellaneous Service Revenues	451	2,187,899	2,057,423	130,477
Rent from Electric Property	454	4,048,833	3,822,515	226,318
Other Electric Revenues	456	18,589,336	17,633,014	956,322
Total Other Operating Revenues		<u>\$ 28,687,856</u>	<u>\$ 27,215,273</u>	<u>\$ 1,472,583</u>
Total Operating Revenue		<u>\$ 1,730,126,969</u>	<u>\$ 1,537,874,053</u>	<u>\$ 192,252,916</u>
Operating Expenses:				
Operation Expenses	401	\$ 936,167,192	\$ 819,291,843	\$ 116,875,349
Maintenance Expenses	402	121,994,844	109,620,212	12,374,632
Depreciation Expense	403	183,197,420	161,019,926	22,177,494
Amortization of Limited-Term Electric Plant	404	8,991,721	7,883,013	1,108,708
Regulatory Credits	407	-	-	-
Taxes Other than Income Taxes	408.1	35,173,855	31,400,242	3,773,613
Income Taxes - Federal	409.1	5,700,924	Total Income Taxes	
Income Taxes - State	409.1	8,455,148		
Deferred Federal Income Taxes - Net	410-1.1	113,954,776		
Deferred State Income Taxes - Net	410-1.1	11,869,811		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(546)	(476)	(69)
Total Utility Operating Expenses		<u>\$ 1,425,505,146</u>	<u>\$ 1,257,067,851</u>	<u>\$ 168,437,296</u>
Net Utility Operating Income		<u>\$ 304,621,823</u>	<u>\$ 280,806,202</u>	<u>\$ 23,815,620</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2014

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		\$ 1,869,251		
Total Other Income Deductions		2,330,103		
Total Taxes on Other income and Deductions		(3,108,933)		
Net Other Income and Deductions		\$ 2,648,081		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 69,644,748		
Amortization of Debt Discount and Expense	428	2,835,511		
Amortization of Loss on Re-Acquired Debt	428.1	1,854,109		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	7,711		
Other Interest Expense	431	3,405,724		
Allowance for Borrowed Funds Used During Construction	432	(394,359)		
Net Interest Charges		\$ 77,353,444	\$ 68,171,390	\$ 9,182,054
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 229,916,460		