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a PPL company

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

November 13, 2015

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  
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Rick E. Lovekamp  
Manager - Regulatory  
Affairs/Tariffs  
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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 blue ink that reads "Rick E. Lovekamp / DJH".

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, 2015

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	\$ 8,555,036,748	\$ 7,587,895,904	\$ 967,140,844
Plus: Construction Work in Progress	107	421,292,849	370,438,314	50,854,535
Total Utility Plant		<u>\$ 8,976,329,597</u>	<u>\$ 7,958,334,218</u>	<u>\$ 1,017,995,379</u>
Less: Accumulated Provision for Depreciation	108,111	2,814,559,411	2,484,682,794	329,876,617
Net Utility Plant		<u>\$ 6,161,770,186</u>	<u>\$ 5,473,651,424</u>	<u>\$ 688,118,762</u>
<b>Other Property and Investments</b>				
Nonutility Property-Less reserve	121-122	\$ 971,313	\$ -	\$ 971,313
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>\$ 1,221,313</u>	<u>\$ -</u>	<u>\$ 1,221,313</u>
<b>Current and Accrued Assets</b>				
Cash	131	\$ 5,632,657	\$ 5,007,379	\$ 625,278
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,255	6,775
Temporary Cash Investments	136	269,198,327	239,314,803	29,883,524
Customer Accounts Receivable	142	132,679,604	114,824,893	17,854,711
Other Accounts Receivable	143	3,787,034	3,366,638	420,396
Less: Accum Prov for Uncollectable Accts-Credit	144	2,238,748	1,990,226	248,522
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	6,288	5,672	616
Fuel	151	77,771,250	68,380,460	9,390,790
Plant Materials and Operating Supplies	154	39,863,188	35,184,605	4,678,583
Allowances	158.1	141,360	123,864	17,496
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,473,906	8,366,951	1,106,955
Prepayments	165	7,469,212	6,804,696	664,516
Interest, Dividends, and Rents Receivable	171-172	1,189,186	1,057,175	132,011
Accrued Utility Revenues	173	85,101,993	72,090,000	13,011,993
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		<u>\$ 630,136,288</u>	<u>\$ 552,591,165</u>	<u>\$ 77,545,122</u>
<b>Deferred Debits</b>				
Unamortized Debt Expense	181	\$ 20,978,500	\$ 18,649,691	\$ 2,328,809
Deferred Regulatory Assets	182	362,322,078	320,461,875	41,860,203
Preliminary Survey and Inventory	183	6,770,115	6,018,569	751,546
Clearing Accounts	184	362,556	327,054	35,502
Miscellaneous Deferred Debits	186	39,340,029	34,475,638	4,864,391
Unamortized Loss on Bonds	189	9,079,509	8,071,599	1,007,910
Accumulated Deferred Income Taxes	190	291,712,727	260,164,576	31,548,151
Total Deferred Debits		<u>\$ 730,565,513</u>	<u>\$ 648,169,003</u>	<u>\$ 82,396,511</u>
Total Assets		<u>\$ 7,523,693,300</u>	<u>\$ 6,674,411,592</u>	<u>\$ 849,281,708</u>

**KENTUCKY UTILITIES COMPANY**  
Balance Sheet on a Total Company and Jurisdictional Basis  
At September 30, 2015

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	\$ 273,933,567	\$ 34,206,411
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	563,858,083	501,264,579	62,593,504
Other Comprehensive Income	219	(2,135,445)	-	(2,135,445)
(Less) Common Stock Expense	214	321,289	285,623	35,666
Retained Earnings	215-216	1,811,942,880	1,610,800,327	201,142,553
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
<b>Total Proprietary Capital</b>		<b>\$ 2,681,484,207</b>	<b>\$ 2,385,712,850</b>	<b>\$ 295,771,357</b>
<b>Long-Term Debt</b>				
Bonds	221-222	\$ 2,600,779,405	\$ 2,312,068,644	\$ 288,710,761
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	(9,804,525)	(8,716,131)	(1,088,394)
<b>Total Long-Term</b>		<b>\$ 2,590,974,880</b>	<b>\$ 2,303,352,513</b>	<b>\$ 287,622,367</b>
<b>Other Non-Current Liabilities</b>				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,349,495	2,119,432	230,063
Accumulated Provision for Pensions and Benefits	228.3	91,163,790	82,237,006	8,926,784
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
<b>Total Other Non-Current Liabilities</b>		<b>\$ 93,513,285</b>	<b>\$ 84,356,438</b>	<b>\$ 9,156,847</b>
<b>Current and Accrued Liabilities</b>				
Notes Payable	231	-	-	-
Accounts Payable	232	87,015,259	78,494,700	8,520,559
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	40,966,804	-	40,966,804
Customer Deposits	235	26,165,654	24,826,077	1,339,576
Taxes Accrued	236	22,807,368	20,275,537	2,531,831
Interest Accrued	237	29,731,314	26,430,861	3,300,453
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,609,530	4,012,310	597,220
Miscellaneous Current and Accrued Liabilities	242-245	21,246,585	19,688,705	1,557,879
<b>Total Current and Accrued Liabilities</b>		<b>\$ 232,542,514</b>	<b>\$ 173,728,191</b>	<b>\$ 58,814,323</b>
<b>Deferred Credits</b>				
Customer Advances for Construction	252	\$ 2,038,832	\$ 2,010,715	\$ 28,117
Accumulated Deferred Investment Tax Credits	255	93,480,490	81,255,683	12,224,807
Other Deferred Credits	253	12,158,555	10,740,750	1,417,805
Regulatory Liabilities	254	149,581,366	134,261,315	15,320,051
Asset Retirement Obligation	230	358,268,972	313,925,863	44,343,109
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,309,650,200	1,168,014,138	141,636,062
<b>Total Deferred Credits</b>		<b>\$ 1,925,178,415</b>	<b>\$ 1,710,208,464</b>	<b>\$ 214,969,950</b>
<b>Total Liabilities and Stockholders Equity</b>		<b>\$ 7,523,693,300</b>	<b>\$ 6,657,358,456</b>	<b>\$ 866,334,844</b>
Adjustment to Balance		-	\$ (17,053,136)	\$ 17,053,136

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended September 30, 2015

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	\$ 634,346,338	\$ 595,714,709	\$ 38,631,629
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		380,984,061	362,546,727	18,437,333
Large (or Ind) - Industrial & Mine Power		433,859,119	422,439,246	11,419,873
Public Street and Highway Lighting	444	11,868,757	11,500,998	367,759
Other Sales to Public Authorities	445	128,082,273	121,228,822	6,853,451
Total Sales to Ultimate Consumers		<u>\$ 1,589,140,547</u>	<u>\$ 1,513,430,502</u>	<u>\$ 75,710,045</u>
Sales for Resale	447	142,133,651	24,613,791	117,519,860
Total Sales of Electricity		<u>\$ 1,731,274,198</u>	<u>\$ 1,538,044,292</u>	<u>\$ 193,229,906</u>
Less: Provision for Refund	449.1	4,799,598	-	4,799,598
Total Revenues Net of Provision for Refund		<u>\$ 1,726,474,600</u>	<u>\$ 1,538,044,292</u>	<u>\$ 188,430,308</u>
<b>Other Operating Revenues:</b>				
Late Payment Charges	450	4,111,261	3,943,115	168,146
Miscellaneous Service Revenues	451	2,102,368	1,973,714	128,654
Rent from Electric Property	454	3,790,635	3,552,302	238,333
Other Electric Revenues	456	18,409,813	17,485,257	924,556
Total Other Operating Revenues		<u>\$ 28,414,077</u>	<u>\$ 26,954,388</u>	<u>\$ 1,459,689</u>
<b>Total Operating Revenue</b>		<u>\$ 1,754,888,677</u>	<u>\$ 1,564,998,680</u>	<u>\$ 189,889,997</u>
<b>Operating Expenses:</b>				
Operation Expenses	401	\$ 913,095,335	\$ 809,747,884	\$ 103,347,451
Maintenance Expenses	402	135,152,893	119,858,561	15,294,332
Depreciation Expense	403	204,466,578	181,576,771	22,889,806
Amortization of Limited-Term Electric Plant	404	10,617,155	9,418,220	1,198,935
Regulatory Credits	407	-	-	-
Taxes Other than Income Taxes	408.1	37,170,119	33,481,825	3,688,295
Income Taxes - Federal	409.1	(86,477,681)	<b>Total Income Taxes</b>	
Income Taxes - State	409.1	3,363,638		
Deferred Federal Income Taxes - Net	410-1.1	211,068,949		
Deferred State Income Taxes - Net	410-1.1	17,430,137		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(157)	(137)	(19)
Total Utility Operating Expenses		<u>\$ 1,445,886,968</u>	<u>\$ 1,285,180,528</u>	<u>\$ 160,706,439</u>
<b>Net Utility Operating Income</b>		<u>\$ 309,001,709</u>	<u>\$ 279,818,152</u>	<u>\$ 29,183,558</u>

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended September 30, 2015

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>				
<u>Other Income and Deductions</u>				
Total Other Income		\$ 5,429,711		
Total Other Income Deductions		2,967,038		
Total Taxes on Other income and Deductions		(2,141,824)		
Net Other Income and Deductions		\$ 4,604,497		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 71,069,992		
Amortization of Debt Discount and Expense	428	2,987,097		
Amortization of Loss on Re-Acquired Debt	428.1	683,508		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	1,170		
Other Interest Expense	431	3,712,514		
Allowance for Borrowed Funds Used During Construction	432	(761,976)		
Net Interest Charges		\$ 77,692,305	\$ 69,436,286	\$ 8,256,019
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 235,913,901		