



a PPL company

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

August 12, 2016

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  
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PO Box 32010  
Louisville, Kentucky 40232  
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AUG 12 2016

PUBLIC SERVICE  
COMMISSION

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". The signature is fluid and cursive.

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, 2016

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	\$ 8,913,553,067	\$ 7,901,516,675	\$ 1,012,036,392
Plus: Construction Work in Progress	107	<u>294,747,101</u>	<u>262,057,931</u>	<u>32,689,170</u>
Total Utility Plant		\$ 9,208,300,168	\$ 8,163,574,606	\$ 1,044,725,562
Less: Accumulated Provision for Depreciation	108,111	<u>2,950,992,351</u>	<u>2,605,033,086</u>	<u>345,959,265</u>
Net Utility Plant		<u>\$ 6,257,307,817</u>	<u>\$ 5,558,541,520</u>	<u>\$ 698,766,297</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	\$ 5,457,969	\$ 4,858,032	\$ 599,937
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,322	6,708
Temporary Cash Investments	136	2,171,257	1,932,594	238,663
Customer Accounts Receivable	142	115,016,800	99,382,277	15,634,524
Other Accounts Receivable	143	3,511,993	3,125,957	386,036
Less: Accum Prov for Uncollectable Accts-Credit	144	1,836,923	1,635,009	201,914
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	1,863	1,680	183
Fuel	151	103,727,161	91,215,843	12,511,318
Plant Materials and Operating Supplies	154	43,016,000	38,012,298	5,003,702
Allowances	158.1	137,630	120,534	17,096
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,208,177	9,020,743	1,187,434
Prepayments	165	19,623,348	17,511,132	2,112,216
Interest, Dividends, and Rents Receivable	171-172	796,631	709,066	87,565
Accrued Utility Revenues	173	93,327,916	80,303,000	13,024,916
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		<u>\$ 395,220,853</u>	<u>\$ 344,612,469</u>	<u>\$ 50,608,384</u>
<b>Deferred Debits</b>				
Unamortized Debt Expense	181	\$ 20,568,571	\$ 18,307,685	\$ 2,260,886
Deferred Regulatory Assets	182	399,163,574	346,449,672	52,713,902
Preliminary Survey and Inventory	183	5,463,293	4,862,771	600,522
Clearing Accounts	184	89,771	80,950	8,821
Miscellaneous Deferred Debits	186-188	44,768,267	39,215,577	5,552,690
Unamortized Loss on Bonds	189	8,572,954	7,630,620	942,334
Accumulated Deferred Income Taxes	190	360,087,024	320,199,819	39,887,205
Total Deferred Debits		<u>\$ 838,713,454</u>	<u>\$ 736,747,095</u>	<u>\$ 101,966,359</u>
Total Assets		<u>\$ 7,492,463,437</u>	<u>\$ 6,639,901,083</u>	<u>\$ 852,562,354</u>

**KENTUCKY UTILITIES COMPANY**  
Balance Sheet on a Total Company and Jurisdictional Basis  
At June 30, 2016

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	\$ 274,269,411	\$ 33,870,567
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	583,858,083	519,680,743	64,177,340
Other Comprehensive Income	219	(1,785,098)	-	(1,785,098)
(Less) Common Stock Expense	214	321,289	285,973	35,316
Retained Earnings	215-216	1,826,037,399	1,625,320,434	200,716,965
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
<b>Total Proprietary Capital</b>		<b>\$ 2,715,929,073</b>	<b>\$ 2,418,984,615</b>	<b>\$ 296,944,458</b>
<b>Long-Term Debt</b>				
Bonds	221-222	\$ 2,350,779,405	\$ 2,092,383,105	\$ 258,396,300
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	(9,380,218)	(8,349,150)	(1,031,068)
<b>Total Long-Term</b>		<b>\$ 2,341,399,187</b>	<b>\$ 2,084,033,955</b>	<b>\$ 257,365,232</b>
<b>Other Non-Current Liabilities</b>				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,147,543	1,936,540	211,003
Accumulated Provision for Pensions and Benefits	228.3	79,947,116	72,092,037	7,855,079
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
<b>Total Other Non-Current Liabilities</b>		<b>\$ 82,094,659</b>	<b>\$ 74,028,577</b>	<b>\$ 8,066,082</b>
<b>Current and Accrued Liabilities</b>				
Notes Payable	231	\$ 28,997,472	\$ 25,810,087	\$ 3,187,385
Accounts Payable	232	81,268,205	73,283,325	7,984,880
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	52,696,233	-	52,696,233
Customer Deposits	235	27,610,574	26,251,787	1,358,786
Taxes Accrued	236	16,684,856	14,850,866	1,833,990
Interest Accrued	237	15,627,585	13,909,810	1,717,775
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,616,981	4,027,558	589,423
Miscellaneous Current and Accrued Liabilities	242-245	18,613,945	17,326,883	1,287,062
<b>Total Current and Accrued Liabilities</b>		<b>\$ 246,115,850</b>	<b>\$ 175,460,316</b>	<b>\$ 70,655,534</b>
<b>Deferred Credits</b>				
Customer Advances for Construction	252	\$ 1,575,372	\$ 1,548,687	\$ 26,685
Accumulated Deferred Investment Tax Credits	255	96,095,838	83,529,089	12,566,749
Other Deferred Credits	253	3,536,916	3,156,799	380,117
Regulatory Liabilities	254	155,371,909	137,974,374	17,397,535
Asset Retirement Obligation	230	370,362,112	324,354,715	46,007,397
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,479,982,521	1,316,043,352	163,939,169
<b>Total Deferred Credits</b>		<b>\$ 2,106,924,668</b>	<b>\$ 1,866,607,016</b>	<b>\$ 240,317,652</b>
<b>Total Liabilities and Stockholders Equity</b>		<b>\$ 7,492,463,437</b>	<b>\$ 6,619,114,480</b>	<b>\$ 873,348,957</b>
Adjustment to Balance		-	\$ (20,786,604)	\$ 20,786,604

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended June 30, 2016

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>				
<b>Operating Revenues:</b>				
Residential Sales	440	\$ 599,216,774	\$ 565,359,677	\$ 33,857,097
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		381,041,313	363,802,033	17,239,280
Large (or Ind) - Industrial & Mine Power		425,145,354	415,418,334	9,727,020
Public Street and Highway Lighting	444	12,471,709	12,095,388	376,321
Other Sales to Public Authorities	445	129,197,365	122,755,644	6,441,722
Total Sales to Ultimate Consumers		<u>\$ 1,547,072,515</u>	<u>\$ 1,479,431,075</u>	<u>\$ 67,641,439</u>
Sales for Resale	447	133,056,619	20,298,832	112,757,787
Total Sales of Electricity		<u>\$ 1,680,129,133</u>	<u>\$ 1,499,729,907</u>	<u>\$ 180,399,226</u>
Less: Provision for Refund	449.1	3,961	-	3,961
Total Revenues Net of Provision for Refund		<u>\$ 1,680,125,172</u>	<u>\$ 1,499,729,907</u>	<u>\$ 180,395,265</u>
<b>Other Operating Revenues:</b>				
Late Payment Charges	450	3,813,251	3,676,663	136,588
Miscellaneous Service Revenues	451	2,234,867	2,118,299	116,568
Rent from Electric Property	454	3,545,606	3,308,819	236,787
Other Electric Revenues	456	18,780,687	17,883,034	897,652
Total Other Operating Revenues		<u>\$ 28,374,410</u>	<u>\$ 26,986,816</u>	<u>\$ 1,387,595</u>
<b>Total Operating Revenue</b>		<u>\$ 1,708,499,582</u>	<u>\$ 1,526,716,723</u>	<u>\$ 181,782,860</u>
<b>Operating Expenses:</b>				
Operation Expenses	401	\$ 822,824,039	\$ 730,324,098	\$ 92,499,941
Maintenance Expenses	402	130,031,764	115,335,245	14,696,519
Depreciation Expense	403	217,835,124	193,264,181	24,570,943
Amortization of Limited-Term Electric Plant	404	11,430,827	10,134,166	1,296,661
Regulatory Credits	407	-	-	-
Taxes Other than Income Taxes	408.1	39,228,574	35,286,334	3,942,240
Income Taxes - Federal	409.1	(5,188,016)	} Total Income Taxes	
Income Taxes - State	409.1	2,281,818		
Deferred Federal Income Taxes - Net	410-1.1	131,631,506		
Deferred State Income Taxes - Net	410-1.1	19,545,030	134,841,412	13,428,925
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	4,000,000	3,637,718	362,282
Losses/(Gains) from Disposition of Allowances	411.8	(92)	(80)	(12)
Total Utility Operating Expenses		<u>\$ 1,373,620,575</u>	<u>\$ 1,222,823,075</u>	<u>\$ 150,797,499</u>
<b>Net Utility Operating Income</b>		<u>\$ 334,879,008</u>	<u>\$ 303,893,648</u>	<u>\$ 30,985,361</u>

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended June 30, 2016

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		\$ 571,070		
Total Other Income Deductions		2,707,839		
Total Taxes on Other income and Deductions		(3,886,098)		
Net Other Income and Deductions		\$ 1,749,329		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 85,049,876		
Amortization of Debt Discount and Expense	428	2,775,122		
Amortization of Loss on Re-Acquired Debt	428.1	678,837		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	1,847		
Other Interest Expense	431	2,509,365		
Allowance for Borrowed Funds Used During Construction	432	(254,361)		
Net Interest Charges		\$ 90,760,686	\$ 81,005,822	\$ 9,754,864
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 245,867,651		