



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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MAY 15 2017

PUBLIC SERVICE
COMMISSION

May 15, 2017

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".

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, 2017

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	\$ 9,106,161,130	\$ 8,085,716,922	\$ 1,020,444,208
Plus: Construction Work in Progress	107	218,709,694	196,646,894	22,062,800
Total Utility Plant		<u>\$ 9,324,870,824</u>	<u>\$ 8,282,363,816</u>	<u>\$ 1,042,507,008</u>
Less: Accumulated Provision for Depreciation	108,111	3,095,513,188	2,734,874,061	360,639,127
Net Utility Plant		<u>\$ 6,229,357,636</u>	<u>\$ 5,547,489,755</u>	<u>\$ 681,867,881</u>
Other Property and Investments				
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>
Current and Accrued Assets				
Cash	131	\$ 5,591,966	\$ 4,989,789	\$ 602,177
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,458	6,572
Temporary Cash Investments	136	922,310	822,990	99,320
Customer Accounts Receivable	142	119,409,552	102,594,643	16,814,909
Other Accounts Receivable	143	12,014,245	10,720,479	1,293,766
Less: Accum Prov for Uncollectable Accts-Credit	144	1,447,928	1,292,006	155,922
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	162,464	146,702	15,762
Fuel	151	88,696,199	78,050,542	10,645,657
Plant Materials and Operating Supplies	154	46,101,186	40,819,720	5,281,466
Allowances	158.1	134,197	117,710	16,487
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	11,091,574	9,820,896	1,270,678
Prepayments	165	16,907,739	15,866,068	1,041,671
Interest, Dividends, and Rents Receivable	171-172	748,836	668,197	80,639
Accrued Utility Revenues	173	81,787,090	68,771,000	13,016,090
Miscellaneous Current Assets	174-176	86	77	9
Total Current and Accrued Assets		<u>\$ 382,180,546</u>	<u>\$ 332,151,265</u>	<u>\$ 50,029,281</u>
Deferred Debits				
Unamortized Debt Expense	181	\$ 19,087,567	\$ 17,032,103	\$ 2,055,464
Deferred Regulatory Assets	182	449,411,195	394,261,644	55,149,551
Preliminary Survey and Inventory	183	6,797,020	6,065,076	731,944
Clearing Accounts	184	1,059,983	957,142	102,841
Miscellaneous Deferred Debits	186-188	49,293,063	43,279,201	6,013,863
Unamortized Loss on Bonds	189	9,279,003	8,279,785	999,218
Accumulated Deferred Income Taxes	190	304,098,696	270,922,239	33,176,457
Total Deferred Debits		<u>\$ 839,026,528</u>	<u>\$ 740,797,190</u>	<u>\$ 98,229,338</u>
Total Assets		<u>\$ 7,451,786,023</u>	<u>\$ 6,620,438,210</u>	<u>\$ 831,347,814</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At March 31, 2017

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	\$ 274,957,620	\$ 33,182,358
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	583,858,083	520,984,748	62,873,335
Other Comprehensive Income	219	-	-	-
(Less) Common Stock Expense	214	321,289	286,691	34,598
Retained Earnings	215-216	1,818,603,286	1,622,765,194	195,838,092
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,710,280,058	\$ 2,418,420,871	\$ 291,859,187
Long-Term Debt				
Bonds	221-222	\$ 2,350,779,405	\$ 2,097,633,401	\$ 253,146,004
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	(8,975,865)	(8,009,290)	(966,575)
Total Long-Term		\$ 2,341,803,540	\$ 2,089,624,111	\$ 252,179,429
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,606,971	2,354,041	252,930
Accumulated Provision for Pensions and Benefits	228.3	88,644,267	80,043,921	8,600,346
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 91,251,238	\$ 82,397,962	\$ 8,853,276
Current and Accrued Liabilities				
Notes Payable	231	\$ 35,995,512	\$ 32,119,299	\$ 3,876,213
Accounts Payable	232	81,545,712	73,634,074	7,911,638
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	49,529,548	-	49,529,548
Customer Deposits	235	29,350,980	27,561,944	1,789,037
Taxes Accrued	236	11,315,418	10,096,906	1,218,512
Interest Accrued	237	37,590,217	33,542,277	4,047,940
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,437,670	3,849,409	588,261
Miscellaneous Current and Accrued Liabilities	242-245	16,983,276	15,866,611	1,116,664
Total Current and Accrued Liabilities		\$ 266,748,331	\$ 196,670,520	\$ 70,077,812
Deferred Credits				
Customer Advances for Construction	252	\$ 1,431,187	\$ 1,406,002	\$ 25,185
Accumulated Deferred Investment Tax Credits	255	95,312,490	82,974,041	12,338,449
Other Deferred Credits	253	1,381,763	1,212,876	168,887
Regulatory Liabilities	254	142,526,991	127,454,083	15,072,908
Asset Retirement Obligation	230	289,295,647	253,753,385	35,542,262
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,511,754,780	1,346,825,864	164,928,916
Total Deferred Credits		\$ 2,041,702,857	\$ 1,813,626,251	\$ 228,076,606
Total Liabilities and Stockholders Equity		\$ 7,451,786,023	\$ 6,600,739,715	\$ 851,046,308
Adjustment to Balance		-	\$ (19,698,495)	\$ 19,698,495

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2017

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	\$ 618,542,929	\$ 582,580,601	\$ 35,962,328
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		392,143,130	373,983,201	18,159,929
Large (or Ind) - Industrial & Mine Power		414,719,840	405,626,418	9,093,422
Public Street and Highway Lighting	444	12,687,424	12,270,642	416,782
Other Sales to Public Authorities	445	131,258,596	124,604,227	6,654,368
Total Sales to Ultimate Consumers		<u>\$ 1,569,351,918</u>	<u>\$ 1,499,065,089</u>	<u>\$ 70,286,829</u>
Sales for Resale	447	134,946,535	16,436,799	118,509,736
Total Sales of Electricity		<u>\$ 1,704,298,453</u>	<u>\$ 1,515,501,888</u>	<u>\$ 188,796,565</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,704,298,453</u>	<u>\$ 1,515,501,888</u>	<u>\$ 188,796,565</u>
Other Operating Revenues:				
Late Payment Charges	450	3,806,387	3,666,813	139,575
Miscellaneous Service Revenues	451	2,184,530	2,061,560	122,970
Rent from Electric Property	454	3,418,698	3,051,713	366,984
Other Electric Revenues	456	20,397,919	19,417,020	980,899
Total Other Operating Revenues		<u>\$ 29,807,534</u>	<u>\$ 28,197,106</u>	<u>\$ 1,610,428</u>
Total Operating Revenue		<u>\$ 1,734,105,987</u>	<u>\$ 1,543,698,994</u>	<u>\$ 190,406,993</u>
Operating Expenses:				
Operation Expenses	401	\$ 821,385,371	\$ 730,473,971	\$ 90,911,400
Maintenance Expenses	402	126,695,939	113,082,467	13,613,472
Depreciation Expense	403	224,136,026	199,193,774	24,942,252
Amortization of Limited-Term Electric Plant	404	12,180,648	10,816,850	1,363,798
Regulatory Debits	407	286,309	275,435	10,874
Taxes Other than Income Taxes	408.1	40,278,310	36,336,109	3,942,201
Income Taxes - Federal	409.1	32,826,183	Total Income Taxes 138,087,477	17,256,238
Income Taxes - State	409.1	5,981,385		
Deferred Federal Income Taxes - Net	410-1.1	99,223,850		
Deferred State Income Taxes - Net	410-1.1	17,312,296		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	4,601,305	4,090,173	511,132
Losses/(Gains) from Disposition of Allowances	411.8	(86)	(76)	(11)
Total Utility Operating Expenses		<u>\$ 1,384,907,537</u>	<u>\$ 1,232,356,180</u>	<u>\$ 152,551,356</u>
Net Utility Operating Income		<u>\$ 349,198,450</u>	<u>\$ 311,342,814</u>	<u>\$ 37,855,637</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended March 31, 2017

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		\$ (1,982,761)		
Total Other Income Deductions		3,459,791		
Total Taxes on Other income and Deductions		(4,781,692)		
Net Other Income and Deductions		\$ (660,860)		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 90,431,470		
Amortization of Debt Discount and Expense	428	2,562,050		
Amortization of Loss on Re-Acquired Debt	428.1	649,193		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	2,145		
Other Interest Expense	431	2,658,615		
Allowance for Borrowed Funds Used During Construction	432	(120,542)		
Net Interest Charges		\$ 96,182,931	\$ 85,476,442	\$ 10,706,489
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 252,354,659		