



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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AUG 14 2017

PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Rick E. Lovekamp
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August 14, 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

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 June 30, 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 Plant</u>				
Utility Plant	101-106	\$ 9,100,486,508	\$ 8,080,678,202	\$ 1,019,808,306
Plus: Construction Work in Progress	107	236,128,951	212,308,947	23,820,004
Total Utility Plant		<u>\$ 9,336,615,459</u>	<u>\$ 8,292,987,149</u>	<u>\$ 1,043,628,310</u>
Less: Accumulated Provision for Depreciation	108,111	3,140,454,783	2,774,579,788	365,874,995
Net Utility Plant		<u>\$ 6,196,160,676</u>	<u>\$ 5,518,407,361</u>	<u>\$ 677,753,315</u>
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 178,714	\$ -	\$ 178,714
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>\$ 428,714</u>	<u>\$ -</u>	<u>\$ 428,714</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 10,962,363	\$ 9,781,870	\$ 1,180,493
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,458	6,572
Temporary Cash Investments	136	688,445	614,309	74,136
Customer Accounts Receivable	142	121,161,156	105,014,602	16,146,554
Other Accounts Receivable	143	26,726,186	23,848,150	2,878,036
Less: Accum Prov for Uncollectable Accts-Credit	144	1,727,392	1,541,376	186,016
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	(624)	(563)	(61)
Fuel	151	87,008,612	76,565,506	10,443,106
Plant Materials and Operating Supplies	154	48,376,450	42,834,325	5,542,125
Allowances	158.1	133,372	116,986	16,386
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	11,395,338	10,089,860	1,305,478
Prepayments	165	19,443,020	18,245,152	1,197,868
Interest, Dividends, and Rents Receivable	171-172	992,177	885,334	106,843
Accrued Utility Revenues	173	86,218,443	72,778,000	13,440,443
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		<u>\$ 411,438,575</u>	<u>\$ 359,286,613</u>	<u>\$ 52,151,962</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 18,573,016	\$ 16,572,963	\$ 2,000,053
Deferred Regulatory Assets	182	450,651,930	395,838,431	54,813,499
Preliminary Survey and Inventory	183	7,233,693	6,454,726	778,967
Clearing Accounts	184	2,964,694	2,677,057	287,637
Miscellaneous Deferred Debits	186-188	50,317,507	44,175,861	6,141,646
Unamortized Loss on Bonds	189	9,119,780	8,137,708	982,072
Accumulated Deferred Income Taxes	190	275,703,328	245,624,739	30,078,589
Total Deferred Debits		<u>\$ 814,563,949</u>	<u>\$ 719,481,485</u>	<u>\$ 95,082,464</u>
Total Assets		<u>\$ 7,422,591,914</u>	<u>\$ 6,597,175,459</u>	<u>\$ 825,416,455</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At June 30, 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	1,833,882,058	1,636,398,656	197,483,402
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,725,558,830	\$ 2,432,054,333	\$ 293,504,497
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	(8,841,573)	(7,889,460)	(952,113)
Total Long-Term		\$ 2,341,937,832	\$ 2,089,743,941	\$ 252,193,891
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,765,178	2,496,898	268,280
Accumulated Provision for Pensions and Benefits	228.3	76,304,452	68,901,326	7,403,126
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 79,069,630	\$ 71,398,224	\$ 7,671,406
Current and Accrued Liabilities				
Notes Payable	231	\$ 50,991,104	\$ 45,500,077	\$ 5,491,027
Accounts Payable	232	102,751,817	92,782,744	9,969,073
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	42,556,192	-	42,556,192
Customer Deposits	235	29,785,769	28,017,525	1,768,243
Taxes Accrued	236	15,519,568	13,848,328	1,671,240
Interest Accrued	237	16,008,338	14,284,464	1,723,874
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,596,637	4,014,327	582,310
Miscellaneous Current and Accrued Liabilities	242-245	19,129,713	17,820,815	1,308,897
Total Current and Accrued Liabilities		\$ 281,339,138	\$ 216,268,281	\$ 65,070,857
Deferred Credits				
Customer Advances for Construction	252	\$ 691,639	\$ 666,454	\$ 25,185
Accumulated Deferred Investment Tax Credits	255	94,850,940	82,572,240	12,278,700
Other Deferred Credits	253	1,382,881	1,213,926	168,955
Regulatory Liabilities	254	146,977,471	131,609,077	15,368,394
Asset Retirement Obligation	230	233,412,783	204,736,173	28,676,610
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,517,370,771	1,351,829,164	165,541,607
Total Deferred Credits		\$ 1,994,686,485	\$ 1,772,627,034	\$ 222,059,450
Total Liabilities and Stockholders Equity		\$ 7,422,591,914	\$ 6,582,091,813	\$ 840,500,101
Adjustment to Balance		-	\$ (15,083,646)	\$ 15,083,646

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 2017

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income				
Operating Revenues:				
Residential Sales	440	\$ 615,436,356	\$ 579,904,884	\$ 35,531,472
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		395,503,350	377,347,559	18,155,791
Large (or Ind) - Industrial & Mine Power		413,336,899	404,325,181	9,011,718
Public Street and Highway Lighting	444	12,646,900	12,234,838	412,062
Other Sales to Public Authorities	445	130,996,643	124,321,508	6,675,135
Total Sales to Ultimate Consumers		<u>\$ 1,567,920,148</u>	<u>\$ 1,498,133,971</u>	<u>\$ 69,786,177</u>
Sales for Resale	447	132,296,101	16,115,031	116,181,070
Total Sales of Electricity		<u>\$ 1,700,216,249</u>	<u>\$ 1,514,249,003</u>	<u>\$ 185,967,246</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,700,216,249</u>	<u>\$ 1,514,249,003</u>	<u>\$ 185,967,246</u>
Other Operating Revenues:				
Late Payment Charges	450	3,818,975	3,674,417	144,559
Miscellaneous Service Revenues	451	2,060,687	1,941,293	119,394
Rent from Electric Property	454	3,525,989	2,963,109	562,880
Other Electric Revenues	456	21,448,619	20,438,165	1,010,454
Total Other Operating Revenues		<u>\$ 30,854,270</u>	<u>\$ 29,016,983</u>	<u>\$ 1,837,287</u>
Total Operating Revenue		<u>\$ 1,731,070,518</u>	<u>\$ 1,543,265,985</u>	<u>\$ 187,804,533</u>
Operating Expenses:				
Operation Expenses	401	\$ 822,116,648	\$ 731,124,310	\$ 90,992,338
Maintenance Expenses	402	118,673,295	105,921,855	12,751,440
Depreciation Expense	403	225,974,673	200,827,813	25,146,860
Amortization of Limited-Term Electric Plant	404	12,683,469	11,263,373	1,420,096
Regulatory Debits	407	464,387	428,218	36,169
Taxes Other than Income Taxes	408.1	40,646,576	36,668,332	3,978,244
Income Taxes - Federal	409.1	32,910,094	} Total Income Taxes	
Income Taxes - State	409.1	6,198,341		
Deferred Federal Income Taxes - Net	410-1.1	103,493,646		
Deferred State Income Taxes - Net	410-1.1	17,118,048		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	601,305	534,509	66,796
Losses/(Gains) from Disposition of Allowances	411.8	(28,219)	(24,746)	(3,473)
Total Utility Operating Expenses		<u>\$ 1,380,852,263</u>	<u>\$ 1,228,721,406</u>	<u>\$ 152,130,858</u>
Net Utility Operating Income		<u>\$ 350,218,255</u>	<u>\$ 314,544,579</u>	<u>\$ 35,673,675</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended June 30, 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.				
Other Income and Deductions				
Total Other Income		\$ (1,994,108)		
Total Other Income Deductions		3,592,465		
Total Taxes on Other income and Deductions		(4,889,699)		
Net Other Income and Deductions		\$ (696,874)		
Interest Charges				
Interest on Long Term Debt	427	\$ 90,747,577		
Amortization of Debt Discount and Expense	428	2,592,480		
Amortization of Loss on Re-Acquired Debt	428.1	641,874		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	4,564		
Other Interest Expense	431	2,785,722		
Allowance for Borrowed Funds Used During Construction	432	(95,496)		
Net Interest Charges		\$ 96,676,721	\$ 85,915,267	\$ 10,761,454
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 252,844,660		