



a PPL company

Mr. Jeff Cline, Procedure Development Coordinator
Division of General Administration Filings Branch
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

February 14, 2018

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". The signature is fluid and cursive.

Rick E. Lovekamp

Enclosures

cc: KPSC Division of Financial Analysis

RECEIVED

FEB 14 2018

PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
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KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 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	\$ 9,277,183,893	\$ 8,239,860,512	\$ 1,037,323,381
Plus: Construction Work in Progress	107	321,167,940	290,967,937	30,200,003
Total Utility Plant		<u>\$ 9,598,351,833</u>	<u>\$ 8,530,828,449</u>	<u>\$ 1,067,523,384</u>
Less: Accumulated Provision for Depreciation	108,111	3,238,141,782	2,859,859,784	378,281,998
Net Utility Plant		<u>\$ 6,360,210,052</u>	<u>\$ 5,670,968,665</u>	<u>\$ 689,241,387</u>
Other Property and Investments				
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>
Current and Accrued Assets				
Cash	131	\$ 12,816,843	\$ 11,430,927	\$ 1,385,916
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,431	6,599
Temporary Cash Investments	136	1,864,128	1,662,555	201,573
Customer Accounts Receivable	142	130,977,197	113,265,988	17,711,209
Other Accounts Receivable	143	29,701,864	26,489,950	3,211,714
Less: Accum Prov for Uncollectable Accts-Credit	144	1,478,119	1,318,286	159,833
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	-	-	-
Fuel	151	62,248,036	64,794,719	7,453,317
Plant Materials and Operating Supplies	154	49,287,221	43,693,251	5,593,970
Allowances	158.1	131,238	115,061	16,177
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	11,598,193	10,281,828	1,316,365
Prepayments	165	16,289,728	14,563,408	1,706,318
Interest, Dividends, and Rents Receivable	171-172	672,221	599,532	72,689
Accrued Utility Revenues	173	112,646,659	97,006,000	15,640,659
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		<u>\$ 426,796,039</u>	<u>\$ 372,639,364</u>	<u>\$ 54,156,675</u>
Deferred Debits				
Unamortized Debt Expense	181	\$ 18,055,102	\$ 16,102,760	\$ 1,952,342
Deferred Regulatory Assets	182	416,947,625	369,499,765	47,447,859
Preliminary Survey and Inventory	183	4,848,827	4,324,511	524,316
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186-188	46,233,523	11,959,114	34,274,409
Unamortized Loss on Bonds	189	8,826,063	7,871,679	954,384
Accumulated Deferred Income Taxes	190	362,371,175	323,154,521	39,216,654
Total Deferred Debits		<u>\$ 857,282,315</u>	<u>\$ 732,912,350</u>	<u>\$ 124,369,964</u>
Total Assets		<u>\$ 7,644,717,120</u>	<u>\$ 6,776,520,380</u>	<u>\$ 868,196,740</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 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	\$ 274,820,047	\$ 33,319,931
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	583,858,083	520,724,078	63,134,005
Other Comprehensive Income	219	-	-	-
(Less) Common Stock Expense	214	321,289	286,547	34,742
Retained Earnings	215-216	1,857,820,153	1,658,929,509	200,890,644
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,749,496,925	\$ 2,452,187,087	\$ 297,309,838
Long-Term Debt				
Bonds	221-222	\$ 2,350,779,405	\$ 2,096,583,869	\$ 254,195,536
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	(8,570,037)	(7,843,338)	(926,699)
Total Long-Term		\$ 2,342,209,368	\$ 2,088,940,531	\$ 253,268,837
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	3,421,397	3,091,792	329,605
Accumulated Provision for Pensions and Benefits	228.3	74,784,141	67,579,711	7,204,430
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 78,205,537	\$ 70,671,503	\$ 7,534,034
Current and Accrued Liabilities				
Notes Payable	231	\$ 44,957,426	\$ 40,096,069	\$ 4,861,357
Accounts Payable	232	159,294,014	143,948,214	15,345,800
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	53,209,388	-	53,209,388
Customer Deposits	235	30,584,515	28,891,349	1,693,166
Taxes Accrued	236	18,835,542	16,798,809	2,036,733
Interest Accrued	237	18,161,240	14,413,885	1,747,555
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,150,228	3,838,694	311,534
Miscellaneous Current and Accrued Liabilities	242-245	18,630,719	17,421,961	1,208,758
Total Current and Accrued Liabilities		\$ 345,823,072	\$ 285,408,781	\$ 80,414,291
Deferred Credits				
Customer Advances for Construction	252	\$ 842,196	\$ 817,011	\$ 25,185
Accumulated Deferred Investment Tax Credits	255	93,857,854	81,675,862	12,181,992
Other Deferred Credits	253	1,381,941	1,212,692	169,249
Regulatory Liabilities	254	744,309,851	663,931,052	80,378,799
Asset Retirement Obligation	230	234,928,553	205,970,157	28,958,396
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,053,661,822	939,632,082	114,029,740
Total Deferred Credits		\$ 2,128,982,217	\$ 1,893,238,856	\$ 235,743,381
Total Liabilities and Stockholders Equity		\$ 7,644,717,120	\$ 6,770,446,758	\$ 874,270,361
Adjustment to Balance		-	\$ (6,073,821)	\$ 6,073,821

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 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	\$ 622,194,583	\$ 586,583,093	\$ 35,611,490
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		400,741,031	382,703,599	18,037,433
Large (or Ind) - Industrial & Mine Power		416,443,589	407,252,845	9,190,744
Public Street and Highway Lighting	444	13,144,391	12,731,773	412,618
Other Sales to Public Authorities	445	131,177,842	124,499,729	6,678,113
Total Sales to Ultimate Consumers		<u>\$ 1,583,701,437</u>	<u>\$ 1,513,771,039</u>	<u>\$ 69,930,398</u>
Sales for Resale	447	124,898,398	11,793,006	113,105,391
Total Sales of Electricity		<u>\$ 1,708,599,835</u>	<u>\$ 1,525,564,045</u>	<u>\$ 183,035,789</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,708,599,835</u>	<u>\$ 1,525,564,045</u>	<u>\$ 183,035,789</u>
Other Operating Revenues:				
Late Payment Charges	450	3,864,385	3,713,437	150,949
Miscellaneous Service Revenues	451	2,262,170	2,127,554	134,617
Rent from Electric Property	454	7,211,409	6,340,545	870,864
Other Electric Revenues	456	22,395,280	21,321,418	1,073,862
Total Other Operating Revenues		<u>\$ 35,733,244</u>	<u>\$ 33,502,953</u>	<u>\$ 2,230,291</u>
Total Operating Revenue		<u>\$ 1,744,333,079</u>	<u>\$ 1,559,066,998</u>	<u>\$ 185,266,080</u>
Operating Expenses:				
Operation Expenses	401	\$ 808,972,246	\$ 720,079,880	\$ 88,892,366
Maintenance Expenses	402	124,242,239	111,891,180	12,351,059
Depreciation Expense	403	238,531,335	211,717,840	26,813,495
Amortization of Limited-Term Electric Plant	404	15,572,213	13,831,704	1,740,509
Regulatory Debits	407	924,553	798,498	126,055
Taxes Other than Income Taxes	408.1	41,520,581	37,475,725	4,044,856
Income Taxes - Federal	409.1	971,580	Total Income Taxes	
Income Taxes - State	409.1	6,811,912		
Deferred Federal Income Taxes - Net	410-1.1	137,562,009		
Deferred State Income Taxes - Net	410-1.1	16,418,315	145,477,698	16,286,118
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	10,450	9,398	1,052
Losses/(Gains) from Disposition of Allowances	411.8	(52,419)	(45,957)	(6,462)
Total Utility Operating Expenses		<u>\$ 1,391,485,015</u>	<u>\$ 1,241,235,966</u>	<u>\$ 150,249,048</u>
Net Utility Operating Income		<u>\$ 352,848,064</u>	<u>\$ 317,831,032</u>	<u>\$ 35,017,032</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 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		\$ (1,151,279)		
Total Other Income Deductions		2,016,749		
Total Taxes on Other Income and Deductions		(4,050,904)		
Net Other Income and Deductions		\$ 882,877		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 91,089,564		
Amortization of Debt Discount and Expense	428	2,634,250		
Amortization of Loss on Re-Acquired Debt	428.1	610,000		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	5,836		
Other Interest Expense	431	2,395,676		
Allowance for Borrowed Funds Used During Construction	432	(113,140)		
Net Interest Charges		\$ 96,622,184	\$ 86,069,937	\$ 10,552,247
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 257,108,756		