



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

May 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**

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PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Rick E. Lovekamp  
Manager - Regulatory  
Strategy/Policy  
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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". 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 March 31, 2018

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	\$ 9,302,235,114	\$ 8,262,110,644	\$ 1,040,124,470
Plus: Construction Work in Progress	107	<u>373,499,075</u>	<u>338,378,281</u>	<u>35,120,794</u>
Total Utility Plant		\$ 9,675,734,189	\$ 8,600,488,925	\$ 1,075,245,264
Less: Accumulated Provision for Depreciation	108,111	<u>3,284,387,886</u>	<u>2,900,703,385</u>	<u>383,684,501</u>
Net Utility Plant		<u>\$ 6,391,346,303</u>	<u>\$ 5,699,785,540</u>	<u>\$ 691,560,763</u>
<b>Other Property and Investments</b>				
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	<u>9,758,663</u>	<u>8,818,549</u>	<u>940,114</u>
Total Other Property and Investments		<u>\$ 10,187,377</u>	<u>\$ 8,818,549</u>	<u>\$ 1,368,828</u>
<b>Current and Accrued Assets</b>				
Cash	131	\$ 9,971,093	\$ 8,892,894	\$ 1,078,199
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,431	6,599
Temporary Cash Investments	136	881,357	786,054	95,303
Customer Accounts Receivable	142	137,539,602	119,051,800	18,487,801
Other Accounts Receivable	143	25,106,271	22,391,468	2,714,803
Less: Accum Prov for Uncollectable Accts-Credit	144	1,568,471	1,398,869	169,602
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	34,028	30,750	3,278
Fuel	151	55,665,469	49,000,321	6,665,148
Plant Materials and Operating Supplies	154	49,728,853	44,084,758	5,644,095
Allowances	158.1	130,487	114,403	16,084
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	11,912,946	10,560,857	1,352,089
Prepayments	165	17,448,268	15,618,348	1,829,920
Interest, Dividends, and Rents Receivable	171-172	762,919	680,422	82,497
Accrued Utility Revenues	173	96,925,496	83,260,000	13,665,496
Miscellaneous Current Assets	174-176	89	79	10
Total Current and Accrued Assets		<u>\$ 404,599,435</u>	<u>\$ 353,127,716</u>	<u>\$ 51,471,719</u>
<b>Deferred Debits</b>				
Unamortized Debt Expense	181	\$ 17,889,688	\$ 15,955,233	\$ 1,934,455
Deferred Regulatory Assets	182	415,544,380	371,194,883	44,349,497
Preliminary Survey and Inventory	183	4,126,894	3,680,643	446,251
Clearing Accounts	184	2,252,080	2,035,123	216,957
Miscellaneous Deferred Debits	186-188	48,364,153	13,455,561	34,908,592
Unamortized Loss on Bonds	189	8,695,211	7,754,976	940,235
Accumulated Deferred Income Taxes	190	<u>360,739,054</u>	<u>321,699,032</u>	<u>39,040,022</u>
Total Deferred Debits		<u>\$ 857,611,460</u>	<u>\$ 735,775,451</u>	<u>\$ 121,836,009</u>
Total Assets		<u>\$ 7,683,744,575</u>	<u>\$ 6,797,507,256</u>	<u>\$ 866,237,319</u>

**KENTUCKY UTILITIES COMPANY**  
Balance Sheet on a Total Company and Jurisdictional Basis  
At March 31, 2018

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	\$ 274,820,047	\$ 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	1,866,602,895	1,664,762,551	201,840,344
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
<b>Total Proprietary Capital</b>		<b>\$ 2,758,279,667</b>	<b>\$ 2,460,020,129</b>	<b>\$ 298,269,538</b>
<b>Long-Term Debt</b>				
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	(8,433,926)	(7,521,945)	(911,981)
<b>Total Long-Term</b>		<b>\$ 2,342,345,479</b>	<b>\$ 2,089,061,924</b>	<b>\$ 253,283,555</b>
<b>Other Non-Current Liabilities</b>				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	3,194,923	2,887,136	307,787
Accumulated Provision for Pensions and Benefits	228.3	37,802,739	34,160,962	3,641,777
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
<b>Total Other Non-Current Liabilities</b>		<b>\$ 40,997,662</b>	<b>\$ 37,048,098</b>	<b>\$ 3,949,564</b>
<b>Current and Accrued Liabilities</b>				
Notes Payable	231	\$ 78,261,438	\$ 69,798,837	\$ 8,462,601
Accounts Payable	232	114,400,198	103,379,303	11,020,895
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	54,228,749	-	54,228,749
Customer Deposits	235	30,993,709	29,376,537	1,617,172
Taxes Accrued	236	33,080,200	29,503,157	3,577,043
Interest Accrued	237	37,777,302	33,892,350	4,084,952
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,263,220	3,947,907	315,313
Miscellaneous Current and Accrued Liabilities	242-245	18,962,578	17,784,587	1,177,991
<b>Total Current and Accrued Liabilities</b>		<b>\$ 371,967,394</b>	<b>\$ 287,482,678</b>	<b>\$ 84,484,717</b>
<b>Deferred Credits</b>				
Customer Advances for Construction	252	\$ 953,177	\$ 927,992	\$ 25,185
Accumulated Deferred Investment Tax Credits	255	93,299,401	81,189,891	12,109,510
Other Deferred Credits	253	1,858,537	1,643,689	214,848
Regulatory Liabilities	254	767,878,277	687,824,781	80,253,496
Asset Retirement Obligation	230	229,409,865	201,131,728	28,278,137
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,056,755,118	942,390,813	114,364,505
<b>Total Deferred Credits</b>		<b>\$ 2,150,164,373</b>	<b>\$ 1,914,908,694</b>	<b>\$ 235,245,679</b>
<b>Total Liabilities and Stockholders Equity</b>		<b>\$ 7,663,744,575</b>	<b>\$ 6,788,521,523</b>	<b>\$ 875,223,052</b>
Adjustment to Balance		-	\$ (8,985,733)	\$ 8,985,733

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended March 31, 2018

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	\$ 646,391,012	\$ 608,911,778	\$ 37,479,234
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		404,953,150	386,733,023	18,220,127
Large (or Ind) - Industrial & Mine Power		412,324,339	403,035,311	9,289,027
Public Street and Highway Lighting	444	13,117,671	12,725,361	392,309
Other Sales to Public Authorities	445	132,054,343	125,164,304	6,890,039
Total Sales to Ultimate Consumers		<u>\$ 1,608,840,514</u>	<u>\$ 1,536,569,778</u>	<u>\$ 72,270,736</u>
Sales for Resale	447	129,589,881	17,364,509	112,225,372
Total Sales of Electricity		<u>\$ 1,738,430,395</u>	<u>\$ 1,553,934,287</u>	<u>\$ 184,496,109</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,738,430,395</u>	<u>\$ 1,553,934,287</u>	<u>\$ 184,496,109</u>
<b>Other Operating Revenues:</b>				
Late Payment Charges	450	4,204,359	4,037,910	166,449
Miscellaneous Service Revenues	451	2,287,582	2,148,749	138,833
Rent from Electric Property	454	8,984,957	8,020,141	964,816
Other Electric Revenues	456	23,594,300	22,441,545	1,152,755
Total Other Operating Revenues		<u>\$ 39,071,198</u>	<u>\$ 36,648,345</u>	<u>\$ 2,422,853</u>
<b>Total Operating Revenue</b>		<u>\$ 1,777,501,594</u>	<u>\$ 1,590,582,632</u>	<u>\$ 186,918,961</u>
<b>Operating Expenses:</b>				
Operation Expenses	401	\$ 824,103,358	\$ 733,548,338	\$ 90,555,020
Maintenance Expenses	402	123,864,077	111,550,812	12,313,465
Depreciation Expense	403	244,784,293	217,267,898	27,516,395
Amortization of Limited-Term Electric Plant	404	16,972,178	15,075,195	1,896,983
Regulatory Debits	407	1,422,439	1,296,384	126,055
Taxes Other than Income Taxes	408.1	42,319,183	38,196,528	4,122,654
Income Taxes - Federal	409.1	19,815,106	Total Income Taxes	
Income Taxes - State	409.1	9,025,675		
Deferred Federal Income Taxes - Net	410-1.1	103,263,370		
Deferred State Income Taxes - Net	410-1.1	14,770,525	132,087,572	14,787,103
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	(46,235)	(41,580)	(4,655)
Losses/(Gains) from Disposition of Allowances	411.8	(62,984)	(55,220)	(7,764)
Total Utility Operating Expenses		<u>\$ 1,400,230,983</u>	<u>\$ 1,248,925,726</u>	<u>\$ 151,305,256</u>
<b>Net Utility Operating Income</b>		<u>\$ 377,270,610</u>	<u>\$ 341,656,906</u>	<u>\$ 35,613,705</u>

**KENTUCKY UTILITIES COMPANY**  
Income Statement on a Total Company and Jurisdictional Basis  
Twelve Months Ended March 31, 2018

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		\$ 1,917,899		
Total Other Income Deductions		1,829,337		
Total Taxes on Other Income and Deductions		(2,728,200)		
Net Other Income and Deductions		\$ 2,816,762		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 91,396,869		
Amortization of Debt Discount and Expense	428	2,653,818		
Amortization of Loss on Re-Acquired Debt	428.1	583,793		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	6,968		
Other Interest Expense	431	2,624,962		
Allowance for Borrowed Funds Used During Construction	432	(178,646)		
Net Interest Charges		\$ 97,087,763	\$ 86,484,670	\$ 10,603,093
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 282,999,609		