



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

November 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

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PUBLIC SERVICE
COMMISSION

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KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 30, 2018

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	\$ 9,418,691,525	\$ 8,365,545,543	\$ 1,053,145,982
Plus: Construction Work in Progress	107	479,036,368	433,991,711	45,044,657
Total Utility Plant		<u>\$ 9,897,727,893</u>	<u>\$ 8,799,537,254</u>	<u>\$ 1,098,190,639</u>
Less: Accumulated Provision for Depreciation	108,111	3,381,873,481	2,986,800,645	395,072,836
Net Utility Plant		<u>\$ 6,515,854,411</u>	<u>\$ 5,812,736,609</u>	<u>\$ 703,117,802</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	14,130,220	12,768,967	1,361,253
Total Other Property and Investments		<u>\$ 14,558,934</u>	<u>\$ 12,768,967</u>	<u>\$ 1,789,967</u>
Current and Accrued Assets				
Cash	131	\$ 12,633,101	\$ 11,266,868	\$ 1,366,233
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,430	6,600
Temporary Cash Investments	136	5,363,029	4,783,034	579,995
Customer Accounts Receivable	142	130,070,405	107,931,781	22,138,624
Other Accounts Receivable	143	23,888,333	21,304,880	2,583,453
Less: Accum Prov for Uncollectable Accts-Credit	144	1,728,692	1,541,739	186,953
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	64	58	6
Fuel	151	54,259,366	47,762,578	6,496,788
Plant Materials and Operating Supplies	154	51,004,849	45,215,932	5,788,917
Allowances	158.1	128,588	112,738	15,850
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,497,510	9,306,070	1,191,440
Prepayments	165	19,186,195	17,174,007	2,012,188
Interest, Dividends, and Rents Receivable	171-172	758,132	676,142	81,990
Accrued Utility Revenues	173	87,322,225	70,953,000	16,369,225
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		<u>\$ 393,444,136</u>	<u>\$ 334,999,779</u>	<u>\$ 58,444,357</u>
Deferred Debits				
Unamortized Debt Expense	181	\$ 17,000,653	\$ 15,162,083	\$ 1,838,570
Deferred Regulatory Assets	182	410,034,415	368,297,138	41,737,277
Preliminary Survey and Inventory	183	4,515,016	4,026,731	488,286
Clearing Accounts	184	5,290,077	4,780,450	509,627
Miscellaneous Deferred Debits	186-188	50,975,837	16,067,765	34,908,072
Unamortized Loss on Bonds	189	8,635,044	7,701,189	933,855
Accumulated Deferred Income Taxes	190	340,502,255	303,652,306	36,849,949
Total Deferred Debits		<u>\$ 836,953,297</u>	<u>\$ 719,687,662</u>	<u>\$ 117,265,635</u>
Total Assets		<u>\$ 7,760,810,778</u>	<u>\$ 6,880,193,017</u>	<u>\$ 880,617,761</u>

KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At September 30, 2018

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	\$ 274,815,550	\$ 33,324,428
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	628,858,083	560,848,941	68,009,142
Other Comprehensive Income	219	0	-	0
(Less) Common Stock Expense	214	321,289	286,542	34,747
Retained Earnings	215-216	1,887,576,824	1,683,440,973	204,135,851
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,824,253,595	\$ 2,518,818,922	\$ 305,434,673
Long-Term Debt				
Bonds	221-222	\$ 2,341,852,405	\$ 2,088,587,993	\$ 253,264,412
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	(8,163,866)	(7,280,968)	(882,898)
Total Long-Term		\$ 2,333,688,539	\$ 2,081,307,025	\$ 252,381,514
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	-	-	-
Accumulated Provision for Injuries and Damages	228.2	2,921,852	2,640,371	281,481
Accumulated Provision for Pensions and Benefits	228.3	30,185,109	27,277,187	2,907,922
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 33,106,961	\$ 29,917,558	\$ 3,189,403
Current and Accrued Liabilities				
Notes Payable	231	\$ 127,975,496	\$ 114,135,325	\$ 13,840,171
Accounts Payable	232	121,498,540	109,793,817	11,704,723
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	47,385,115	-	47,385,115
Customer Deposits	235	31,771,218	30,204,328	1,566,890
Taxes Accrued	236	29,505,306	26,314,394	3,190,912
Interest Accrued	237	37,245,684	33,217,674	4,028,010
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	3,734,021	3,475,910	258,111
Miscellaneous Current and Accrued Liabilities	242-245	19,882,860	18,610,630	1,272,229
Total Current and Accrued Liabilities		\$ 418,998,240	\$ 335,752,078	\$ 83,246,161
Deferred Credits				
Customer Advances for Construction	252	\$ 1,369,299	\$ 1,345,687	\$ 23,612
Accumulated Deferred Investment Tax Credits	255	92,182,495	80,217,951	11,964,544
Other Deferred Credits	253	20,734,545	20,526,528	208,017
Regulatory Liabilities	254	763,332,170	680,357,109	82,975,061
Asset Retirement Obligation	230	213,221,175	186,938,532	26,282,643
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,059,923,759	945,216,337	114,707,422
Total Deferred Credits		\$ 2,150,763,443	\$ 1,914,602,144	\$ 236,161,299
Total Liabilities and Stockholders Equity		\$ 7,760,810,778	\$ 6,880,397,727	\$ 880,413,051
Adjustment to Balance		-	\$ 204,710	\$ (204,710)

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2018

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	\$ 657,901,695	\$ 619,551,286	\$ 38,350,409
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		406,742,456	388,529,864	18,212,592
Large (or Ind) - Industrial & Mine Power		394,218,484	384,511,398	9,707,087
Public Street and Highway Lighting	444	12,915,929	12,553,971	361,958
Other Sales to Public Authorities	445	130,899,846	123,937,215	6,962,631
Total Sales to Ultimate Consumers		<u>\$ 1,602,678,410</u>	<u>\$ 1,529,083,734</u>	<u>\$ 73,594,676</u>
Sales for Resale	447	128,754,874	18,603,167	110,151,707
Total Sales of Electricity		<u>\$ 1,731,433,285</u>	<u>\$ 1,547,686,901</u>	<u>\$ 183,746,384</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,731,433,285</u>	<u>\$ 1,547,686,901</u>	<u>\$ 183,746,384</u>
Other Operating Revenues:				
Late Payment Charges	450	4,218,599	4,043,017	175,582
Miscellaneous Service Revenues	451	2,368,867	2,218,456	150,411
Rent from Electric Property	454	10,683,271	9,497,038	1,186,232
Other Electric Revenues	456	24,704,267	23,426,545	1,277,722
Total Other Operating Revenues		<u>\$ 41,975,003</u>	<u>\$ 39,185,056</u>	<u>\$ 2,789,946</u>
Total Operating Revenue		<u>\$ 1,773,408,288</u>	<u>\$ 1,586,871,958</u>	<u>\$ 186,536,330</u>
Operating Expenses:				
Operation Expenses	401	\$ 825,276,236	\$ 734,571,390	\$ 90,704,846
Maintenance Expenses	402	145,062,268	129,688,522	15,373,747
Depreciation Expense	403	252,920,704	224,489,689	28,431,015
Amortization of Limited-Term Electric Plant	404	18,283,000	16,239,506	2,043,494
Regulatory Debits	407	3,634,519	2,541,146	1,093,373
Taxes Other than Income Taxes	408.1	43,833,690	39,563,495	4,270,195
Income Taxes - Federal	409.1	16,786,150	Total Income Taxes 90,683,958	9,926,546
Income Taxes - State	409.1	8,121,436		
Deferred Federal Income Taxes - Net	410-1.1	65,652,401		
Deferred State Income Taxes - Net	410-1.1	10,050,517		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	10,450	9,419	1,031
Losses/(Gains) from Disposition of Allowances	411.8	(58,900)	(51,639)	(7,261)
Total Utility Operating Expenses		<u>\$ 1,389,572,472</u>	<u>\$ 1,237,735,486</u>	<u>\$ 151,836,986</u>
Net Utility Operating Income		<u>\$ 383,835,816</u>	<u>\$ 349,136,472</u>	<u>\$ 34,699,344</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended September 30, 2018

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		\$ 1,347,387		
Total Other Income Deductions		1,387,918		
Total Taxes on Other income and Deductions		(2,999,620)		
Net Other Income and Deductions		\$ 2,959,088		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 92,033,247		
Amortization of Debt Discount and Expense	428	2,644,515		
Amortization of Loss on Re-Acquired Debt	428.1	529,262		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	6,166		
Other Interest Expense	431	3,803,298		
Allowance for Borrowed Funds Used During Construction	432	(365,751)		
Net Interest Charges		\$ 98,650,736	\$ 87,875,510	\$ 10,775,226
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 288,144,168		