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AUG 31 2004

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

**Re: Case 2004-00305 (Application of Kentucky Utilities Company for an Order
Authorizing the Issuance of Securities and the Assumption of Obligations)**

Dear Ms. O'Donnell:

Enclosed for filing in the above-referenced case please find Kentucky Utilities Company's ("KU") updated Financial Exhibit complying with the requirements of 807 KR 5:001, Section 6. When KU filed its Application in this case on July 30, 2004, KU's most recent financials available covered the period ending March 31, 2004. KU requested a deviation from the requirement in 807 KAR 5:001, Section 6 that the Financial Exhibit cover a 12 month period ending not more than 90 days prior to the date the Application is filed. KU represented that its Financial Exhibit, covering the period ending June 30, 2004, would be filed when available. KU's second quarter 2004 Financials are now available, and accordingly KU is tendering its revised Financial Exhibit.

Please find an original and ten copies of the updated Financial Exhibit. An extra copy is also enclosed to be file stamped and returned to the undersigned.

Please do not hesitate to contact me if you have any questions or require additional information.

Very Truly Yours,

J. Wade Hendricks

JWH/cjg

Enclosures

cc: Elizabeth E. Blackford
Daniel Arbough
Mike Beer
John Fendig
Roger Hickman
Elliott Horne

KENTUCKY UTILITIES COMPANY
(807 KAR 5:001, Section 11, Item I (a))

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A DESCRIPTION OF APPLICANT'S PROPERTY, INCLUDING A
STATEMENT OF THE NET ORIGINAL COST OF THE PROPERTY
AND THE COST THEREOF TO APPLICANT

JUNE 30, 2004

The applicant owns and operates four coal fired steam electric generating stations having an estimated total effective capacity, with all equipment in service, of about 2,949,000 Kw; a hydroelectric generating station having an estimated total effective capability of about 24,000 Kw; and thirteen gas/oil peaking units having an estimated total effective capability of about 1,095,000 Kw.

The applicant's owned electric transmission system includes 112 substations with a total capacity of approximately 16,991,000 Kva and approximately 4,233 structure miles of lines, The electric distribution system includes 466 substations with a total capacity of approximately 4,509,000 Kva, and 12,744 structure miles of lines.

Other properties include office buildings, service centers, warehouses, garages, and other structures and equipment.

The net original cost of the property and cost thereof to the applicant at June 30, 2004, was:

	Utility Plant
Original Cost:	
Intangible Plant	\$ 29,431,512
Production Plant	1,689,393,338
Transmission Plant	483,316,167
Distribution Plant	967,753,336
General Plant	80,336,367
Transportation Plant	23,738,711
Construction Work in Progress	371,862,288
Plant Purchased or Sold	(19,836)
Total Plant at Original Cost	3,645,813,883
Less Reserve for Depreciation	(1,543,519,886)
Net Original Cost	\$ 2,102,293,997

KENTUCKY UTILITIES COMPANY

FINANCIAL EXHIBIT
(807 KAR 5:001 SEC. 6)

JUNE 30, 2004

(1) Amount and kinds of stock authorized.

80,000,000 shares of Common Stock, without par value.
5,300,000 shares of Cumulative Preferred Stock, without par value.

(2) Amount and kinds of stock issued and outstanding.

Common Stock:
37,817,878 shares issued and outstanding.

Preferred Stock
\$100 stated value, 4-3/4% cumulative, 200,000 shares issued and outstanding.
\$100 stated value, 6.53% cumulative, 200,000 shares issued and outstanding.

(3) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets otherwise.

Preferred Stock outstanding has cumulative provision on dividends.

(4) Brief description of each mortgage on property of applicant, giving date of execution name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of the indebtedness actually secured, together with any sinking fund provisions.

Mortgage indenture dated May 1, 1947, executed by and between the Company and U.S. Bank National Association (the "Trustee") and Richard Prokosch, as trustees and amended by the several indentures supplemental thereto. As of June 30, 2004, the amount of indebtedness secured thereby was \$389,830,000. The indenture does not fix an overall limitation on the aggregate principal amount of bonds of all series that may be issued or outstanding thereunder.

- (5) Amount of bonds authorized, and amount issued giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with an amount of interest paid thereon during the last fiscal year.

First Mortgage Bonds authorized and issued by Kentucky Utilities Company at June 30, 2004, secured by a first mortgage lien, subject only to permitted encumbrances, on all or substantially all the permanent fixed properties, other than excluded property, owned by the Company:

Series	Date of Issue	Date of Maturity	Rate of Interest	Principal Amount		Interest Expense Year Ended June 30, 2004
				Authorized	Outstanding at June 30, 2004	
P	05/15/92	05/15/07	7.92%	\$ 53,000,000	\$ 53,000,000	\$ 4,197,600
P	05/15/92	05/15/27	8.55%	33,000,000	-	1,136,440
Q	06/15/93	06/15/03	6.32%	62,000,000	-	-
R	06/01/95	06/01/25	7.55%	50,000,000	50,000,000	3,775,000
S	01/15/96	01/15/06	5.99%	36,000,000	36,000,000	2,156,400
Pollution Control Bonds						
9	12/01/93	12/01/23	5.75%	50,000,000	50,000,000	2,875,000
10	11/01/94	11/01/24	Variable	54,000,000	54,000,000	593,709
11	05/01/00	05/01/23	Variable	12,900,000	12,900,000	128,713
12	02/01/02	02/01/32	Variable	20,930,000	20,930,000	231,534
13	02/01/02	02/01/32	Variable	2,400,000	2,400,000	26,549
14	02/01/02	02/01/32	Variable	7,400,000	7,400,000	81,861
15	02/01/02	02/01/32	Variable	7,200,000	7,200,000	76,042
16	07/01/02	10/01/32	Variable	96,000,000	96,000,000	1,036,013
					389,830,000	16,314,861
Interest rate swap						(6,773,520)
Long term debt mark to market						16,938,624 (314,149)
Total					<u>\$ 406,768,624</u>	<u>\$ 9,227,192</u>

- (6) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest in whose favor, together with amount of interest during the last 12-month period.

<u>Date of Issue</u>	<u>Amount</u>	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Year Ended June 30, 2004</u>
12/31/00	\$ 53,180,542	Various	Various	\$ 702,377
04/30/03	100,000,000	4.55%	04/30/13	4,562,639
08/15/03	75,000,000	5.31%	08/15/13	3,495,750
11/24/03	33,000,000	4.24%	11/24/10	843,407
12/18/03	75,000,000	2.29%	12/19/05	920,771
01/15/04	50,000,000	4.39%	01/16/12	1,195,058

- (7) Other indebtedness, giving same by classes and describing security, if any with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

None, other than current and accrued liabilities.

- (8) Rate and amount of dividends paid during the five previous fiscal years, and amount of capital stock on which dividends were paid. (1)

Dividends on Common Stock, without par value

1999	73,000,000
2000	94,500,000
2001	30,500,000
2002	-
2003	-
2004	-

- (1) As of May 1998, the 37,817,878 shares are all owned by LG&E Energy LLC and all dividends declared by KU's Board of Directors are paid to LG&E Energy LLC.

Dividends on 4 3/4% Cumulative Preferred Stock

For each of the quarters in the previous five fiscal years, the Company declared and paid dividends of \$1.1875 per share on the 200,000 outstanding shares of 4 3/4% Cumulative Preferred Stock, \$100 stated value, for a total of \$ 237,500 per quarter. On an annual basis the dividend amounted to \$4.75 per share, or \$950,000.

Dividends on 6.53% Cumulative Preferred Stock

For each of the quarters in the previous five fiscal years, the Company declared and paid dividends of \$1.6325 per share on the 200,000 outstanding shares of 6.53% Cumulative Preferred Stock, \$100 stated value, for a total of \$326,500 per quarter. On an annual basis the dividend amounted to \$6.53 per share, or \$1,306,000.

(9) Detailed Income Statement and Balance Sheet

Monthly Financial and Operating Reports are filed each month with the Commission. Our most recent mailing covered financial statements for periods through June 30, 2004. Attached are detailed Statements of Income, Balance sheets and Retained Earnings for the Company for the period ending June 30, 2004.

KENTUCKY UTILITIES COMPANY
(807 KAR 5:001, Section 11, Item 2(a))

The 2003 Form 10-K Annual Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (combined form 10-K, separately filed by Louisville Gas and Electric Company and Kentucky Utilities Company) contains Statements of Income, Balance Sheets, Statements of Retained Earnings, Statements of Cash Flows, Statements of Capitalization, Statements of Other Comprehensive Income, Management's Discussions and Analysis of Financial Condition and Results of Operation, and Notes to Financial Statements, for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"). The Annual Report, the FERC Form 1, and subsequent monthly reports of KU have been previously filed with the Commission.

We have also attached the succeeding three pages, detailed Statements of Income, Balance Sheets, and Statements of Retained Earnings for KU for the period ending June 30, 2004.

KENTUCKY UTILITIES COMPANY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF INCOME
JUNE 30, 2004

YEAR ENDED CURRENT MONTH

CONSOLIDATED

Electric Operating Revenues.....	925,383,004.96
Rate Refunds.....	7,328,288.44
Total Operating Revenues.....	<u>932,711,293.40</u>
Operating Expenses	
Fuel.....	277,485,241.39
Power Purchased.....	120,519,476.42
Other Operation Expenses.....	144,020,994.80
Maintenance.....	52,809,501.22
Depreciation.....	95,820,727.95
Amortization Expense.....	5,480,712.34
Regulatory Credits.....	(1,470,705.32)
Taxes	
Federal Income.....	37,803,771.75
State Income.....	17,019,428.75
Deferred Federal Income - Net.....	23,961,916.26
Deferred State Income - Net.....	366,953.54
Federal Income - Estimated.....	-
State Income - Estimated.....	-
Property and Other.....	16,261,810.31
Loss (Gain) from Disposition of Utility Plant.....	(444,234.89)
Loss (Gain) from Disposition of Allowances.....	1,261,668.00
Accretion Expense.....	-
Total Operating Expenses.....	<u>790,897,262.52</u>
Net Operating Income.....	141,814,030.88
Other Income Less Deductions	
Interest and Dividend Income.....	745,461.66
Other Income Less Deductions.....	5,511,378.36
AFUDC - Equity.....	1,471,752.49
Total Other Income Less Deductions.....	<u>7,728,592.51</u>
Income Before Interest Charges.....	<u>149,542,623.39</u>
Interest on Long Term Debt.....	20,061,897.10
Amortization of Debt Expense - Net.....	1,015,497.10
Other Interest Expenses.....	3,672,485.80
AFUDC - Borrowed Funds.....	(598,602.09)
Total Interest Charges.....	<u>24,151,277.91</u>
Net Inc Before Cumulative Effect of Acctg Chg.....	125,391,345.48
Cumulative Effect of Accounting Chg Net of Tax.....	-
Net Income.....	<u>125,391,345.48</u>
Preferred Dividend Requirements.....	2,256,006.50
Earnings Available for Common.....	<u>123,135,338.98</u>

KENTUCKY UTILITIES COMPANY AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET AS OF JUNE 30, 2004

	CONSOLIDATED	CONSOLIDATED
ASSETS AND OTHER DEBITS		
Utility Plant		
Utility Plant at Original Cost	3,645,813,883.27	
Less Reserves for Depreciation & Amortization	1,643,519,886.31	
Total	2,002,293,996.96	
Investments - At Cost		
Nonutility Property-Less Reserve	896,372.34	
Investments in Subsidiary Companies	11,935,268.20	
Investments in KU-R	-	
Ohio Valley Electric Corporation	250,000.00	
Other	543,562.16	
Special Funds	5,570,796.55	
Total	19,195,999.25	
Current and Accrued Assets		
Cash	9,554,936.60	
Special Deposits	142,349.19	
Temporary Cash Investments	-	
Accounts Receivable-Less Reserve	94,899,337.86	
Notes Receivable from Assoc. Companies	-	
Notes Receivable from KU/KU-R	-	
Accounts Receivable from Assoc Companies	9,387,821.16	
Materials & Supplies-At Average Cost		
Fuel	35,551,846.80	
Plant Materials & Operating Supplies	22,222,739.09	
Stores Expense	5,144,123.98	
Allowance Inventory	5,930,971.34	
Prepayments	3,327,479.21	
Miscellaneous Current & Accrued Assets	607,471.93	
Total	186,769,077.16	
Deferred Debits and Other		
Unamortized Debt Expense	4,349,292.07	
Unamortized Loss on Bonds	10,127,383.90	
Accumulated Deferred Income Taxes	60,990,722.37	
Deferred Regulatory Assets	69,215,224.80	
Other Deferred Debits	39,231,468.76	
Total	183,914,091.90	
Total Assets and Other Debits		
	2,392,173,165.27	
LIABILITIES AND OTHER CREDITS		
Capitalization		
Common Stock	308,139,977.56	
Common Stock Expense	(321,288.87)	
Paid-In Capital	15,000,000.00	
Other Comprehensive Income	(160,762.20)	
Retained Earnings	618,411,168.96	
Unappropriated Undistributed Subsidiary Earnings	10,639,468.20	
Total Common Equity	951,708,563.65	
Preferred Stock	39,726,894.58	
First Mortgage Bonds	385,030,000.00	
Other Long-Term Debt	-	
LT Notes Payable to Associated Companies	333,000,000.00	
Long-Term Debt Marked to Market	10,039,796.00	
Total Long-Term Debt	728,069,796.00	
Total Capitalization	1,719,505,254.23	
Current and Accrued Liabilities		
Advances from Associated Companies	-	
Long-Term Debt Due in 1 Year	-	
Notes Payable	-	
Notes Payable to Associated Companies	53,180,541.95	
Accounts Payable	48,355,830.01	
Accounts Payable to Associated Companies	25,114,902.04	
Customer Deposits	13,867,098.18	
Taxes Accrued	17,009,531.54	
Interest Accrued	5,465,163.24	
Dividends Declared	188,000.00	
Misc. Current & Accrued Liabilities	7,712,890.22	
Total	170,893,957.18	
Deferred Credits and Other		
Accumulated Deferred Income Taxes	340,833,305.95	
Investment Tax Credit	4,831,975.32	
Regulatory Liabilities	49,137,462.43	
Customer Advances for Construction	1,624,500.46	
Asset Retirement Obligations	20,338,828.27	
Other Deferred Credits	19,511,602.43	
Misc. Long-Term Liabilities	4,728,350.08	
Misc. Long-Term Liab. Due to Assoc. Co.	-	
Accum Provision for Post-Retirement Benefits	60,767,928.92	
Total	501,773,953.86	
Total Liabilities and Other Credits		
	2,392,173,165.27	

KENTUCKY UTILITIES COMPANY
ANALYSIS OF RETAINED EARNINGS
JUNE 30, 2004

	Year Ended Current Month
	Total
Retained Earnings and Undistributed Earnings	Retained Earnings
Balance Beginning of Period.....	519,334,751.79
Net Income To Date.....	125,400,935.19
Adjust for Equity in Subsidiary Earnings for Year	
-EE Inc.....	(3,068,511.52)
Dividends Rec'd Current Year	
-EE Inc.....	-
Preferred Stock Dividends.....	(2,256,006.50)
Common Stock Dividends.....	(21,000,000.00)
Balance End of Period.....	618,411,168.96

KENTUCKY UTILITIES COMPANY
(801 KAR 5:001, Section 11, Item 2(b))

The Applicant's Indenture of Mortgage or Deed of Trust dated May 1, 1947, as heretofore amended, securing Applicant's outstanding First Mortgage Bonds has heretofore been filed with the Commission. The most recent Supplemental Indenture, dated September 1, 2002, is on file with the Commission in Case No. 2002-231 (In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Issue of Securities).