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

Kentucky Utilities Company
State Regulation and Rates
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PO Box 32010
Louisville, Kentucky 40232
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Rick E. Lovekamp
Manager - Regulatory
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February 14, 2019

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 December 31, 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	\$ 9,559,622,667	\$ 8,515,898,192	\$ 1,043,724,475
Plus: Construction Work in Progress	107	502,916,453	449,845,073	53,071,380
Total Utility Plant		\$ 10,062,539,120	\$ 8,965,743,265	\$ 1,096,795,855
Less: Accumulated Provision for Depreciation	108, 111	3,429,322,259	3,031,837,890	397,484,369
Net Utility Plant		\$ 6,633,216,861	\$ 5,933,905,375	\$ 699,311,486
Other Property and Investments				
Nonutility Property-Less reserve	121-122	\$ 612,836	\$ -	\$ 612,836
Investment in Subsidiary Companies	123.1	-	-	-
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	0	-	0
Total Other Property and Investments		\$ 862,837	\$ -	\$ 862,837
Current and Accrued Assets				
Cash	131	\$ 12,611,870	\$ 11,277,257	\$ 1,334,613
Special Deposits	132-134	-	-	-
Working Funds	135	61,030	54,572	6,458
Temporary Cash Investments	136	960,025	858,433	101,592
Customer Accounts Receivable	142	130,948,341	113,541,956	17,406,385
Other Accounts Receivable	143	33,150,250	29,642,223	3,508,027
Less: Accum Prov for Uncollectable Accts-Credit	144	1,603,257	1,433,597	169,660
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	2	2	-
Fuel	151	56,182,929	49,484,741	6,698,188
Plant Materials and Operating Supplies	154	55,639,905	49,542,695	6,097,210
Allowances	158.1	127,771	112,240	15,531
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	9,836,645	8,758,712	1,077,933
Prepayments	165	16,889,824	15,166,145	1,723,679
Interest, Dividends, and Rents Receivable	171-172	593,153	530,384	62,769
Accrued Utility Revenues	173	91,735,423	77,940,000	13,795,423
Miscellaneous Current Assets	174-176	-	-	-
Total Current and Accrued Assets		\$ 407,133,910	\$ 355,475,763	\$ 51,658,147
Deferred Debits				
Unamortized Debt Expense	181	\$ 16,624,735	\$ 14,865,471	\$ 1,759,264
Deferred Regulatory Assets	182	446,191,303	402,393,783	43,797,520
Preliminary Survey and Inventory	183	3,570,638	3,192,786	377,852
Clearing Accounts	184	0	-	0
Miscellaneous Deferred Debits	186-188	52,379,155	16,964,501	35,414,654
Unamortized Loss on Bonds	189	8,498,364	7,599,050	899,314
Accumulated Deferred Income Taxes	190	332,076,723	297,311,983	34,764,740
Total Deferred Debits		\$ 859,340,918	\$ 742,327,574	\$ 117,013,344
Total Assets		\$ 7,900,554,525	\$ 7,031,708,712	\$ 868,845,813

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KENTUCKY UTILITIES COMPANY
Balance Sheet on a Total Company and Jurisdictional Basis
At December 31, 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	\$ 275,531,980	\$ 32,607,998
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	628,858,083	562,311,044	66,547,039
Other Comprehensive Income	219	0	-	0
(Less) Common Stock Expense	214	321,289	287,289	34,000
Retained Earnings	215-216	1,898,449,904	1,697,552,082	200,897,822
Unappropriated Undistributed Subsidiary Earnings	216.1	-	-	-
Total Proprietary Capital		\$ 2,835,126,676	\$ 2,535,107,817	\$ 300,018,859
Long-Term Debt				
Bonds	221-222	\$ 2,341,852,405	\$ 2,094,032,830	\$ 247,819,575
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	(8,028,097)	(7,178,548)	(849,549)
Total Long-Term		\$ 2,333,824,308	\$ 2,086,854,282	\$ 246,970,026
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,956,059	2,675,600	280,459
Accumulated Provision for Pensions and Benefits	228.3	32,200,381	29,145,339	3,055,042
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 35,156,441	\$ 31,820,939	\$ 3,335,502
Current and Accrued Liabilities				
Notes Payable	231	\$ 235,079,778	\$ 210,203,159	\$ 24,876,619
Accounts Payable	232	181,224,961	164,031,065	17,193,896
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	53,103,480	-	53,103,480
Customer Deposits	235	31,967,926	30,571,015	1,396,911
Taxes Accrued	236	23,887,526	21,359,699	2,527,827
Interest Accrued	237	16,266,827	14,545,438	1,721,389
Dividends Declared	238	-	-	-
Matured Long-Term Bonds	239	-	-	-
Tax Collections Payable	241	4,093,916	3,787,971	305,945
Miscellaneous Current and Accrued Liabilities	242-245	19,134,885	17,917,979	1,216,906
Total Current and Accrued Liabilities		\$ 564,759,299	\$ 462,416,326	\$ 102,342,974
Deferred Credits				
Customer Advances for Construction	252	\$ 1,343,082	\$ 1,321,591	\$ 21,492
Accumulated Deferred Investment Tax Credits	255	91,624,050	79,895,707	11,728,343
Other Deferred Credits	253	1,347,032	1,184,709	162,323
Regulatory Liabilities	254	770,939,990	685,212,312	85,727,678
Asset Retirement Obligation	230	199,407,981	175,168,770	24,239,211
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	1,067,025,667	955,319,946	111,705,721
Total Deferred Credits		\$ 2,131,687,802	\$ 1,898,103,035	\$ 233,584,767
Total Liabilities and Stockholders Equity		\$ 7,900,554,525	\$ 7,014,302,398	\$ 886,252,127
Adjustment to Balance		-	\$ (17,406,314)	\$ 17,406,314

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 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>				
Operating Revenues:				
Residential Sales	440	\$ 651,539,015	\$ 612,922,653	\$ 38,616,362
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		406,728,380	388,415,620	18,312,760
Large (or Ind) - Industrial & Mine Power		387,574,473	377,813,895	9,760,578
Public Street and Highway Lighting	444	12,470,660	12,122,883	347,777
Other Sales to Public Authorities	445	130,264,650	123,273,667	6,990,983
Total Sales to Ultimate Consumers		<u>\$ 1,588,577,179</u>	<u>\$ 1,514,548,719</u>	<u>\$ 74,028,461</u>
Sales for Resale	447	127,653,883	19,840,665	107,813,218
Total Sales of Electricity		<u>\$ 1,716,231,062</u>	<u>\$ 1,534,389,384</u>	<u>\$ 181,841,678</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,716,231,062</u>	<u>\$ 1,534,389,384</u>	<u>\$ 181,841,678</u>
Other Operating Revenues:				
Late Payment Charges	450	4,220,470	4,043,071	177,399
Miscellaneous Service Revenues	451	2,356,466	2,205,386	151,080
Rent from Electric Property	454	10,782,767	9,545,071	1,237,696
Other Electric Revenues	456	26,014,620	24,667,299	1,347,321
Total Other Operating Revenues		<u>\$ 43,374,323</u>	<u>\$ 40,460,827</u>	<u>\$ 2,913,496</u>
Total Operating Revenue		<u>\$ 1,759,605,385</u>	<u>\$ 1,574,850,211</u>	<u>\$ 184,755,174</u>
Operating Expenses:				
Operation Expenses	401	\$ 826,317,099	\$ 735,912,736	\$ 90,404,363
Maintenance Expenses	402	143,871,371	128,409,445	15,461,926
Depreciation Expense	403	254,858,841	226,597,430	28,261,411
Amortization of Limited-Term Electric Plant	404	18,378,651	16,372,270	2,006,381
Regulatory Debits	407	5,173,651	3,398,401	1,775,250
Taxes Other than Income Taxes	408.1	43,930,185	39,757,397	4,172,788
Income Taxes - Federal	409.1	23,379,362	Total Income Taxes 72,806,293 7,206,935	
Income Taxes - State	409.1	6,351,854		
Deferred Federal Income Taxes - Net	410-1.1	40,205,153		
Deferred State Income Taxes - Net	410-1.1	10,076,861		
Accretion Expense	411.1	-	-	-
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(62,535)	(54,933)	(7,602)
Total Utility Operating Expenses		<u>\$ 1,372,480,492</u>	<u>\$ 1,223,199,040</u>	<u>\$ 149,281,452</u>
Net Utility Operating Income		<u>\$ 387,124,894</u>	<u>\$ 351,651,171</u>	<u>\$ 35,473,722</u>

KENTUCKY UTILITIES COMPANY
Income Statement on a Total Company and Jurisdictional Basis
Twelve Months Ended December 31, 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		\$ 1,349,344		
Total Other Income Deductions		6,266,435		
Total Taxes on Other income and Deductions		(4,120,897)		
Net Other Income and Deductions		\$ (796,194)		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 92,155,317		
Amortization of Debt Discount and Expense	428	2,681,873		
Amortization of Loss on Re-Acquired Debt	428.1	532,182		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	6,225		
Other Interest Expense	431	4,792,603		
Allowance for Borrowed Funds Used During Construction	432	(469,250)		
Net Interest Charges		\$ 99,698,949	\$ 89,209,989	\$ 10,488,960
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 286,629,751		