

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
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in September 2012, and is funded through a \$0.10 per month meter charge.

Depreciation Study. In December 2007, KU filed a depreciation study with the Kentucky Commission requesting a change in the depreciation rates as required by a previous Order. An adjustment to the depreciation rates is dependent on an order being received by the Kentucky Commission, the timing of which cannot currently be determined.

Note 3 - Financial Instruments

The cost and estimated fair values of KU's non-trading financial instruments as of December 31 follow:

(in millions)	<u>2007</u>		<u>2006</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Long-term debt (including current portion of \$33 million)	\$333	\$333	\$360	\$360
Long-term debt from affiliate	\$931	\$996	\$483	\$487

All of the above valuations reflect prices quoted by exchanges except for the loans from affiliate which are fair valued using accepted valuation models. The fair values of cash and cash equivalents, accounts receivable, cash surrender value of key man life insurance, accounts payable and notes payable are substantially the same as their carrying values.

Interest Rate Swaps (hedging derivatives). KU has used over-the-counter interest rate swaps to hedge exposure to market fluctuations in certain of its debt instruments. Pursuant to Company policy, use of these financial instruments has been intended to mitigate risk, earnings and cash flow volatility and was not speculative in nature. Management had designated all of the interest rate swaps as hedge instruments. Financial instruments designated as fair value hedges and the underlying hedged items are periodically marked to market with the resulting net gains and losses recorded directly into net income. Upon termination of any fair value hedge, the resulting gain or loss is recorded into net income.

KU had no outstanding interest rate swap agreements at December 31, 2007. KU was party to an interest rate swap agreement with a notional amount of \$53 million as of December 31, 2006. The interest rate swap was terminated in February 2007, when the underlying debt was defeased. Under this swap agreement, KU paid variable rates based on the London Interbank Offer Rate averaging 7.44% and received fixed rates averaging 7.92% at December 31, 2006. The swap agreement in effect at December 31, 2006 had been designated as a fair value hedge. The fair value designation was assigned because the underlying fixed rate debt had a firm future commitment. For 2007 and 2006, the effect of marking these financial instruments and the underlying debt to market resulted in pre-tax gains of less than \$1 million recorded in interest expense.

Interest rate swaps hedge interest rate risk on the underlying debt under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended, in addition to swaps being marked to market, the item being hedged must also be marked to market. Consequently, at December 31, 2006, KU's debt reflects a mark-to-market adjustment of less than \$1 million.

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Energy Risk Management Activities (non-hedging derivatives). KU conducts energy trading and risk management activities to maximize the value of power sales from physical assets it owns. Energy trading activities are principally forward financial transactions to hedge price risk and are accounted for on a mark-to-market basis in accordance with SFAS No. 133, as amended.

The table below summarizes KU's energy trading and risk management activities:

(in millions)	<u>2007</u>	<u>2006</u>
Fair value of contracts at beginning of period, net asset	\$ 1	\$ 1
Unrealized gains and losses recognized at contract inception during the period	-	-
Realized gains and losses recognized during the period	-	1
Changes in fair values attributable to changes in valuation techniques and assumptions	(1)	(2)
Other unrealized gains and losses and changes in fair values	-	1
Fair value of contracts at end of period, net asset	<u>\$ -</u>	<u>\$ 1</u>

No changes to valuation techniques for energy trading and risk management activities occurred during 2007 or 2006. Changes in market pricing, interest rate and volatility assumptions were made during both years. All contracts outstanding at December 31, 2007 and 2006, have a maturity of less than one year and are valued using prices actively quoted for proposed or executed transactions or quoted by brokers.

KU maintains policies intended to minimize credit risk and revalues credit exposures daily to monitor compliance with those policies. At December 31, 2007, 100% of the trading and risk management commitments were with counterparties rated BBB-/Baa3 equivalent or better.

KU hedges the price volatility of its forecasted electric wholesale sales with the sales of market-traded electric forward contracts for periods of less than one year. Hedge accounting treatment has not been elected for these transactions, and therefore gains and losses are shown in the statements of income in other income – net. No material pre-tax gains and losses resulted in 2007. Pre-tax gains of \$1 million resulted in 2006.

Note 4 - Concentrations of Credit and Other Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. Concentrations of credit risk (whether on- or off-balance sheet) relate to groups of customers or counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

KU's customer receivables and revenues arise from deliveries of electricity to approximately 506,000 customers in over 600 communities and adjacent suburban and rural areas in 77 counties in central, southeastern and western Kentucky, to approximately 30,000 customers in five counties in southwestern Virginia and 5 customers in Tennessee. For the years ended December 31, 2007 and 2006, 100% of total revenue was derived from electric operations.

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Effective August 1, 2006, KU and its employees represented by the IBEW Local 2100 entered into a new three-year collective bargaining agreement. The new agreement provides for negotiated increases or changes to wages, benefits or other provisions and for annual wage re-openers. A wage re-opener was negotiated in July 2007. KU and its employees represented by the USWA Local 9447-01 entered into a three-year collective bargaining agreement effective August 2005, with authorized annual wage re-openers. The employees represented by these two bargaining units comprise approximately 16% of KU's workforce at December 31, 2007. Wage re-openers were negotiated in July 2006, and July 2007.

Note 5 - Pension and Other Postretirement Benefit Plans

KU has both funded and unfunded non-contributory defined benefit pension plans and other postretirement benefit plans that together cover substantially all of its employees. The healthcare plans are contributory with participants' contributions adjusted annually. KU uses December 31 as the measurement date for its plans.

Obligations and Funded Status. The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ending December 31, 2007, and a statement of the funded status as of December 31 for KU's sponsored defined benefit plans:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 303	\$ 318	\$ 88	\$ 95
Service cost	6	6	2	2
Interest cost	17	17	5	5
Benefits paid, net of retiree contributions	(19)	(19)	(5)	(5)
Actuarial gain and other	(23)	(19)	(14)	(9)
Benefit obligation at end of year	<u>\$ 284</u>	<u>\$ 303</u>	<u>\$ 76</u>	<u>\$ 88</u>
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 253	\$ 247	\$ 12	\$ 9
Actual return on plan assets	17	26	-	1
Employer contributions	13	-	6	7
Benefits paid, net of retiree contributions	(19)	(19)	(5)	(5)
Administrative expenses and other	-	(1)	-	-
Fair value of plan assets at end of year	<u>\$ 264</u>	<u>\$ 253</u>	<u>\$ 13</u>	<u>\$ 12</u>
Funded status at end of year	<u>\$ (20)</u>	<u>\$ (50)</u>	<u>\$ (63)</u>	<u>\$ (76)</u>

Amounts Recognized in Statement of Financial Position. The following tables provide the amounts recognized in the balance sheets and information for plans with benefit obligations in excess of plan assets as of December 31:

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(in millions)	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Regulatory assets	\$ 37	\$ 59	\$ (9)	\$ 5
Accrued benefit liability (non-current)	(20)	(50)	(63)	(76)

Additional year-end information for plans with accumulated benefit obligations in excess of plan assets:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Benefit obligation	\$ 284	\$ 303	\$ 76	\$ 88
Accumulated benefit obligation	243	258	-	-
Fair value of plan assets	264	253	13	12

Components of Net Periodic Benefit Cost. The following table provides the components of net periodic benefit cost for the plans:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Service cost	\$ 6	\$ 6	\$ 2	\$ 2
Interest cost	17	17	5	5
Expected return on plan assets	(21)	(20)	(1)	(1)
Amortization of prior service costs	1	1	-	1
Amortization of actuarial loss	2	4	-	-
Amortization of transitional obligation	-	-	-	1
Benefit cost at end of year	\$ 5	\$ 8	\$ 6	\$ 8

The assumptions used in the measurement of KU's pension benefit obligation are shown in the following table:

	2007	2006
Weighted-average assumptions as of December 31:		
Discount rate	6.66%	5.96%
Rate of compensation increase	5.25%	5.25%

The discount rate is based on the November Mercer Pension Discount Yield Curve, adjusted by the basis point change in the Moody's Corporate Aa Bond Rate in December.

The assumptions used in the measurement of KU's net periodic benefit cost are shown in the following table:

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	<u>2007</u>	<u>2006</u>
Discount rate	5.90%	5.50%
Expected long-term return on plan assets	8.25%	8.25%
Rate of compensation increase	5.25%	5.25%

To develop the expected long-term rate of return on assets assumption, KU considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The following describes the effects on pension benefits by changing the major actuarial assumptions discussed above:

- A 1% change in the assumed discount rate could have an approximate \$30 million positive or negative impact to the 2007 accumulated benefit obligation and an approximate \$40 million positive or negative impact to the 2007 projected benefit obligation.
- A 25 basis point change in the expected rate of return on assets would have an approximate \$1 million positive or negative impact on 2007 pension expense.

Assumed Healthcare Cost Trend Rates. For measurement purposes, a 9% annual increase in the per capita cost of covered healthcare benefits was assumed for 2007. The rate was assumed to decrease gradually to 5% by 2015 and remain at that level thereafter.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A 1% change in assumed healthcare cost trend rates would have resulted in an increase or decrease of less than \$1 million on the 2007 total of service and interest costs components and an increase or decrease of \$4 million in year-end 2007 postretirement benefit obligations.

Expected Future Benefit Payments and Medicare Subsidy Receipts. The following list provides the amount of expected future benefit payments, which reflect expected future service and the estimated gross amount of Medicare subsidy receipts:

(in millions)	Pension <u>Plans</u>	Other Postretirement <u>Benefits</u>	Medicare Subsidy <u>Receipts</u>
2008	\$ 18	\$ 6	\$ (1)
2009	18	7	(1)
2010	17	7	(1)
2011	17	7	(1)
2012	17	7	(1)
2013-17	90	37	(3)

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Plan Assets. The following table shows KU's weighted-average asset allocation by asset category at December 31:

<u>Pension Plans</u>	<u>Target Range</u>	<u>2007</u>	<u>2006</u>
Equity securities	45% - 75%	57%	61%
Debt securities	30% - 50%	43%	39%
Other	0% - 10%	0%	0%
Totals		<u>100%</u>	<u>100%</u>

The investment policy of the pension plans was developed in conjunction with financial consultants, investment advisors and legal counsel. The goal of the investment policy is to preserve the capital of the fund and maximize investment earnings. The return objective is to exceed the benchmark return for the policy index comprised of the following: Russell 3000 Index, MSCI-EAFE Index, Lehman Aggregate and Lehman U.S. Long Government/Credit Bond Index in proportions equal to the targeted asset allocation.

Evaluation of performance focuses on a long-term investment time horizon of at least three to five years or a complete market cycle. The assets of the pension plans are broadly diversified within different asset classes (equities, fixed income securities and cash equivalents).

To minimize the risk of large losses in a single asset class, no more than 5% of the portfolio will be invested in the securities of any one issuer with the exclusion of the U.S. government and its agencies. The equity portion of the fund is diversified among the market's various subsections to diversify risk, maximize returns and avoid undue exposure to any single economic sector, industry group or individual security. The equity subsectors include, but are not limited to, growth, value, small capitalization and international.

In addition, the overall fixed income portfolio may have an average weighted duration, or interest rate sensitivity which is within +/- 20% of the duration of the overall fixed income benchmark. Foreign bonds in the aggregate shall not exceed 10% of the total fund. The portfolio may include a limited investment of up to 20% in below investment grade securities provided that the overall average portfolio quality remains "AA" or better. The below investment grade securities include, but are not limited to, medium-term notes, corporate debt, non-dollar and emerging market debt and asset backed securities. The cash investments should be in securities that either are of short maturities (not to exceed 180 days) or readily marketable with modest risk.

Derivative securities are permitted only to improve the portfolio's risk/return profile, to modify the portfolio's duration or to reduce transaction costs and must be used in conjunction with underlying physical assets in the portfolio. Derivative securities that involve speculation, leverage, interest rate anticipation, or any undue risk whatsoever are not deemed appropriate investments.

The investment objective for the postretirement benefit plan is to provide current income consistent with stability of principal and liquidity while maintaining a stable net asset value of \$1.00 per share. The postretirement funds are invested in a prime cash money market fund that invests primarily in a portfolio of short-term, high-quality fixed income securities issued by banks, corporations and the U.S. government.

Contributions. KU made a discretionary contribution to the pension plan of \$13 million in January 2007. After

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this payment, KU's pension plan assets are in excess of the December 31, 2007 accumulated benefit obligation.

In addition, KU made contributions to other postretirement benefit plans of \$6 million and \$7 million in 2007 and 2006, respectively. In 2008, KU anticipates making voluntary contributions to fund the Voluntary Employee Beneficiary Association trusts to match the annual postretirement expense and funding the 401(h) plan up to the maximum amount allowed by law.

Pension Legislation. The Pension Protection Act of 2006 was enacted in August 2006. The new rules are generally effective for plan years beginning after 2008. Among other matters, this comprehensive legislation contains provisions applicable to defined benefit plans which generally (i) mandate 100% funding of current liabilities within seven years; (ii) increase tax-deduction levels regarding contributions; (iii) revise certain actuarial assumptions, such as mortality tables and discount rates; and (iv) raise federal insurance premiums and other fees for under-funded and distressed plans. The legislation also contains similar provisions relating to defined-contribution plans and qualified and non-qualified executive pension plans and other matters.

Thrift Savings Plans. KU has a thrift savings plan under section 401(k) of the Internal Revenue Code. Under the plan, eligible employees may defer and contribute to the plan a portion of current compensation in order to provide future retirement benefits. KU makes contributions to the plan by matching a portion of the employee contributions. The costs of this matching were \$2 million for 2007 and 2006.

Note 6 - Income Taxes

A United States consolidated income tax return is filed by E.ON U.S.'s direct parent, E.ON US Investments Corp., for each tax period. Each subsidiary of the consolidated tax group, including KU, will calculate its separate income tax for the tax period. The resulting separate-return tax cost or benefit will be paid to or received from the parent company or its designee. KU also files income tax returns in various state jurisdictions. With few exceptions, KU is no longer subject to U.S. federal income tax examinations for years before 2004. Statutes of limitations related to 2004 and later returns are still open. Tax years 2005, 2006 and 2007 are under audit by the IRS with the 2007 return being examined under an IRS pilot program named "Compliance Assurance Process". This program accelerates the IRS's review to the actual calendar year applicable to the return and ends 90 days after the return is filed.

KU adopted the provisions of FIN 48 effective January 1, 2007. At the date of adoption, KU had less than \$1 million of unrecognized tax benefits, primarily related to federal income taxes. If recognized, the less than \$1 million of unrecognized tax benefits would reduce the effective income tax rate. Additions and reductions of uncertain tax positions during 2007 were less than \$1 million.

Possible amounts of uncertain tax positions for KU that may decrease within the next 12 months total less than \$1 million and are based on the expiration of statutes during 2008.

KU, upon adoption of FIN 48, adopted a new financial statement classification for interest and penalties. Prior to the adoption of FIN 48, KU recorded interest and penalties for income taxes on the income statements in income tax expense and in the taxes accrued balance sheet account, net of tax. Upon adoption of FIN 48, interest is recorded as interest expense and penalties are recorded as operating expenses on the income statement

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and accrued expenses in the balance sheets, on a pre-tax basis. Interest of less than \$1 million was accrued for 2007 and 2006 based on IRS and Kentucky Department of Revenue large corporate interest rates for underpayment of taxes. No penalties were accrued by KU upon adoption of FIN 48 or through December 31, 2007.

Components of income tax expense are shown in the table below:

(in millions)	<u>2007</u>	<u>2006</u>
Current - federal	\$ 28	\$ 51
- state	13	11
Deferred - federal - net	(5)	-
- state - net	(1)	1
Investment tax credit - deferred	43	12
Amortization of investment tax credit	<u>(1)</u>	<u>(1)</u>
Total income tax expense	<u>\$ 77</u>	<u>\$ 74</u>

Current federal income tax expense decreased and investment tax credit - deferred increased primarily due to the recording of investment tax credits of \$43 million and \$12 million at December 31, 2007 and 2006, respectively, as discussed below.

In June 2006, KU and LG&E filed a joint application with the U.S. Department of Energy ("DOE") requesting certification to be eligible for investment tax credits applicable to the construction of TC2. The EPAct 2005 added Section 48A to the Internal Revenue Code, which provides for an investment tax credit to promote the commercialization of advanced coal technologies that will generate electricity in an environmentally responsible manner. KU's and LG&E's application requested up to the maximum amount of "advanced coal project" credit allowed per taxpayer, or \$125 million, based on an estimate of 15% of projected qualifying TC2 expenditures. In November 2006, the DOE and the IRS announced that KU and LG&E were selected to receive the tax credit. A final IRS certification required to obtain the investment tax credit was received in August 2007. KU's portion of the TC2 tax credit will be approximately \$100 million over the construction period and will be amortized to income over the life of the related property beginning when the facility is placed in service. Based on eligible construction expenditures incurred, KU recorded investment tax credits of \$43 million and \$12 million in 2007 and 2006, respectively, decreasing current federal income taxes.

In September 2007, KU received Order 2007-00178 from the Kentucky Commission approving the accounting of the investment tax credit. In March 2008, certain groups filed suit in federal court in North Carolina against the DOE and IRS claiming the investment tax credit program was violative of certain environmental laws and demanded relief, including suspension or termination of the program. KU is not able to predict the ultimate outcome of this proceeding.

Components of net deferred tax liabilities included in the balance sheets are shown below:

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(in millions)	<u>2007</u>	<u>2006</u>
Deferred tax liabilities:		
Depreciation and other plant-related items	\$292	\$291
Regulatory assets and other	<u>40</u>	<u>37</u>
Total deferred tax liabilities	<u>332</u>	<u>328</u>
Deferred tax assets:		
Income taxes due to customers	9	10
Pensions and related benefits	17	11
Liabilities and other	<u>23</u>	<u>23</u>
Total deferred tax assets	<u>49</u>	<u>44</u>
Net deferred income tax liability	<u>\$283</u>	<u>\$284</u>
Balance sheet classification		
Current assets	\$ (2)	\$ (5)
Non-current liabilities	<u>285</u>	<u>289</u>
Net deferred income tax liability	<u>\$283</u>	<u>\$284</u>

A reconciliation of differences between the statutory U.S. federal income tax rate and KU's effective income tax rate follows:

	<u>2007</u>	<u>2006</u>
Statutory federal income tax rate	35.0%	35.0%
State income taxes, net of federal benefit	3.4	3.9
Reduction of income tax accruals	(0.4)	(0.5)
Qualified production deduction	(1.2)	(0.4)
EEI dividend	(2.9)	(3.4)
Amortization of investment tax credit	(0.4)	(0.5)
Other differences	<u>(1.9)</u>	<u>(1.4)</u>
Effective income tax rate	<u>31.6%</u>	<u>32.7%</u>

The EEI dividend for 2007 and 2006 reflects tax benefits associated with the receipt of dividends from KU's investment in EEI. Subsequent to an EEI management decision regarding changes in the distribution of EEI's previous earnings, KU elected to provide deferred taxes for all book and tax temporary differences in this investment.

Other differences primarily relate to excess deferred taxes which reflect the benefits of deferred taxes reversing at tax rates that differ from statutory rates and various other permanent differences.

H. R. 4520, known as the "American Jobs Creation Act of 2004", allows electric utilities to take a deduction for qualified production activities income starting in 2005.

Kentucky House Bill 272, also known as "Kentucky's Tax Modernization Plan", was signed into law in March

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2005. This bill contains a number of changes in Kentucky's tax system, including the reduction of the Corporate income tax rate from 8.25% to 7% effective January 1, 2005, and a further reduction to 6% effective January 1, 2007. As a result of the income tax rate changes, KU's deferred tax reserve amount will exceed its actual deferred tax liability attributable to existing temporary differences, since the new statutory rates are lower than rates when the deferred tax liability originated. In December 2006, KU received approval from the Kentucky Commission to establish and amortize a regulatory liability of \$11 million for these net excess deferred income tax balances. KU will amortize these depreciation-related excess deferred income tax balances under the average rate assumption method which matches the amortization of the excess deferred income taxes with the life of the timing differences to which they relate. Excess deferred income tax balances related to non-depreciation timing differences were expensed in 2006 due to their immaterial amount. There were no additional adjustments in 2007.

KU expects to have adequate levels of taxable income to realize its recorded deferred tax assets.

Note 7 - Long-Term Debt

As of December 31, 2007 and 2006, long-term debt and the current portion of long-term debt consist primarily of pollution control bonds and long-term loans from affiliated companies as summarized below.

(in millions)	Stated <u>Interest Rates</u>	<u>Maturities</u>	Principal <u>Amounts</u>
Outstanding at December 31, 2007:			
Noncurrent portion	Variable – 6.33%	2010-2037	\$1,231
Current portion	Variable	2032	\$ 33
Outstanding at December 31, 2006:			
Noncurrent portion	Variable – 6.33%	2010-2036	\$ 702
Current portion	Variable – 7.92%	2007-2032	\$ 141

Pollution control series bonds are obligations of KU issued in connection with tax-exempt pollution control revenue bonds issued by various governmental entities, principally counties in Kentucky. A loan agreement obligates KU to make debt service payments to the county that equate to the debt service due from the county on the related pollution control revenue bonds. Until a series of financing transactions was completed during February 2007, the county's debt was also secured by an equal amount of KU's first mortgage bonds that were pledged to the trustee for the pollution control revenue bonds that match the terms and conditions of the county's debt, but require no payment of principal and interest unless KU defaults on the loan agreement. Proceeds from bond issuances for environmental equipment (primarily related to the installation of FGDs) are held in trust pending expenditure for qualifying assets. At December 31, 2007, and 2006, KU had \$11 million and \$23 million, respectively, of bond proceeds in trust, included in restricted cash in the balance sheets.

Several of the KU pollution control bonds are insured by monoline bond insurers whose ratings have been under pressure due to exposures relating to insurance of sub-prime mortgages. At December 31, 2007, KU had an aggregate \$333 million of outstanding pollution control indebtedness, of which \$300 million is in the form of insured auction rate securities wherein interest rates are reset either weekly or every 35 days via an auction

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process. Beginning in late 2007, the interest rates on these insured bonds began to increase due to investor concerns about the creditworthiness of the bond insurers. In 2008, interest rates have continued to increase, and the Company has experienced "failed auctions" when there are insufficient bids for the bonds. When there is a failed auction, the interest rate is set pursuant to a formula stipulated in the indenture which can be as high as 15%. During 2007, the average rate on the auction rate bonds was 3.96%, whereas the average rate in January and February of 2008 was 4.72%. The instruments governing these auction rate bonds permit KU to convert the bonds to other interest rate modes, such as various short-term variable rates, long-term fixed rates or intermediate-term fixed rates that are reset infrequently. In the first quarter of 2008, the ratings of the Carroll County 2004 Series A bonds were downgraded from AAA to AA and subsequently to A by S&P and from Aaa to A2 by Moody's, and the Carroll County 2006 Series C bonds were downgraded from Aaa to A2 by Moody's and from AAA to A- by S&P due to downgrades of the bond insurer. In February 2008, KU issued a notice to bondholders of its intention to convert the Carroll County 2007 Series A bonds and the Trimble County 2007 Series A bonds from the auction rate mode to a fixed interest rate mode, as permitted under the loan documents. In March 2008, KU will issue notices to bondholders of its intention to convert the Carroll County 2006 Series C bonds and the Mercer County 2000 Series A bonds from the auction mode to a weekly interest rate mode, as permitted under the loan documents. KU expects to purchase such bonds and hold some or all such bonds until a later date, including potential further conversion, remarketings or refinancings. Uncertainty in markets relating to auction rate securities or steps KU has taken or may take to mitigate such uncertainty, such as additional conversions, subsequent restructurings or redemptions and refinancings, could result in KU incurring increased interest expense, transaction expenses or other costs and fees or experiencing reduced liquidity relating to existing or future pollution control financing structures. See Note 13, Subsequent Events.

All of KU's first mortgage bonds were released and terminated in February 2007. Only the tax-exempt pollution control revenue bonds issued by the counties remain. Under the provisions for certain of KU's variable-rate pollution control bonds, the bonds are subject to tender for purchase at the option of the holder and to mandatory tender for purchase upon the occurrence of certain events, causing the bonds to be classified as current portion of long-term debt in the balance sheets. The average annualized interest rate for these bonds during 2007 and 2006 was 3.72% and 3.56%, respectively.

At December 31, 2006, KU had an interest rate swap used to hedge KU's underlying debt obligations. The swap hedged specific debt issuances and, consistent with management's designation, was accorded hedge accounting treatment. The swap effectively converted the fixed rate obligation on KU's first mortgage bond Series P to variable-rate. At December 31, 2006, the remaining swap had a notional value of \$53 million. The swap was terminated in February 2007, when the underlying bond was defeased. See Note 3, Financial Instruments.

Redemptions and maturities of long-term debt for 2007 and 2006 are summarized below:

(\$ in millions)		Principal	Rate	Secured/ Unsecured	Maturity
Year	Description	Amount			
2007	Pollution control bonds	\$ 54	Variable	Secured	2024
2007	First mortgage bonds	\$ 54	7.92%	Secured	2007
2006	First mortgage bonds	\$ 36	5.99%	Secured	2006

Issuances of long-term debt for 2007 and 2006 are summarized below:

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(\$ in millions)		Principal		Secured/	
Year	Description	Amount	Rate	Unsecured	Maturity
2007	Pollution control bonds	\$ 54	Variable	Unsecured	2034
2007	Pollution control bonds	\$ 18	Variable	Unsecured	2026
2007	Pollution control bonds	\$ 9	Variable	Unsecured	2037
2007	Due to Fidelia	\$ 53	5.69%	Unsecured	2022
2007	Due to Fidelia	\$ 75	5.86%	Unsecured	2037
2007	Due to Fidelia	\$ 50	5.98%	Unsecured	2017
2007	Due to Fidelia	\$100	5.96%	Unsecured	2028
2007	Due to Fidelia	\$ 70	5.71%	Unsecured	2019
2007	Due to Fidelia	\$100	5.45%	Unsecured	2014
2006	Pollution control bonds	\$ 17	Variable	Unsecured	2036
2006	Pollution control bonds	\$ 17	Variable	Unsecured	2036
2006	Due to Fidelia	\$ 50	5.675%	Unsecured	2016
2006	Due to Fidelia	\$ 50	6.33%	Unsecured	2036

In February 2007, KU completed a series of financial transactions impacting its periodic reporting requirements. The \$54 million Pollution Control Series 10 bond was refinanced and replaced with a new unsecured tax-exempt bond of the same amount maturing in 2034. The \$53 million Series P bond was defeased and replaced with an intercompany loan totaling \$53 million from Fidelia. In conjunction with the defeasance, the Company terminated the related interest rate swap. Fidelia also agreed to eliminate the second lien on its two secured loans. Pursuant to the terms of the remaining tax-exempt bonds, the first mortgage bonds were cancelled and the underlying lien on substantially all of KU's assets was released following the completion of these steps. KU no longer has any secured debt and is no longer subject to periodic reporting under the Securities Exchange Act of 1934.

Long-term debt maturities for KU are shown in the following table:

(in millions)	
2008 - 2009	\$ -
2010	33
2011	-
2012	50
Thereafter	<u>1,181</u> (a)
Total	<u>\$1,264</u>

(a) Includes long-term debt of \$33 million classified as current liabilities because these bonds are subject to tender for purchase at the option of the holder and to mandatory tender for purchase upon the occurrence of certain events. These bonds mature in 2032. KU does not expect to pay these amounts in 2008.

Note 8 - Notes Payable and Other Short-Term Obligations

KU participates in an intercompany money pool agreement wherein E.ON U.S. and/or LG&E make funds available to KU at market-based rates (based on an index of highly rated commercial paper issues) up to \$400

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million.

(\$ in millions)	Total Money Pool Available	Amount Outstanding	Balance Available	Average Interest Rate
December 31, 2007	\$400	\$23	\$377	4.75%
December 31, 2006	\$400	\$97	\$303	5.25%

As of December 31, 2007 and 2006, E.ON U.S. maintained a revolving credit facility totaling \$150 million and \$200 million, respectively, with an affiliated company, E.ON North America, Inc., to ensure funding availability for the money pool. The balance is as follows:

(\$ in millions)	Total Available	Amount Outstanding	Balance Available	Average Interest Rate
December 31, 2007	\$150	\$ 62	\$88	4.97%
December 31, 2006	\$200	\$102	\$98	5.49%

During June 2007, KU entered into a short-term bilateral line of credit totaling \$35 million. During the third quarter of 2007, KU extended the maturity date on this facility to June 2012. There was no outstanding balance under this facility at December 31, 2007.

The covenants under this revolving line of credit include:

- The debt/total capitalization ratio must be less than 70%
- E.ON must own at least 66.667% of voting stock of KU directly or indirectly
- The corporate credit rating of the Company must be at or above BBB- and Baa3 as determined by S&P and Moody's
- A limitation on disposing of assets aggregating more than 15% of total assets as of December 31, 2006

Note 9 - Commitments and Contingencies

Operating Leases. KU leases office space, office equipment and vehicles and accounts for these leases as operating leases. In addition, KU reimburses LG&E for a portion of the lease expense paid by LG&E for KU's usage of office space leased by LG&E. Total lease expense was \$6 million for 2007 and 2006. The future minimum annual lease payments for operating leases for years subsequent to December 31, 2007, are shown in the following table:

(in millions)	
2008	\$ 6
2009	5
2010	3
2011	2
2012	2
Thereafter	<u>4</u>
Total	<u>\$22</u>

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Owensboro Contract Litigation. In May 2004, the City of Owensboro, Kentucky and OMU commenced a suit now removed to the U.S. District Court for the Western District of Kentucky, against KU concerning a long-term power supply contract (the "OMU Agreement") with KU. The dispute involves interpretational differences regarding issues under the OMU Agreement, including various payments or charges between KU and OMU and rights concerning excess power, termination and emissions allowances. The complaint seeks in excess of \$6 million in damages in connection with one of its claims for periods prior to 2004, plus damages in an unspecified amount for later-occurring periods on that claim and for other claims. OMU has additionally requested injunctive and other relief, including a declaration that KU is in material breach of the contract. KU has filed an answer in that court denying the OMU claims and presenting counterclaims and amended such filing in January 2007, to include further counterclaims alleging additional damages. During 2005, the FERC declined KU's application to exercise exclusive jurisdiction on matters. In July 2005, the district court resolved a summary judgment motion made by KU in OMU's favor, ruling that a contractual provision grants OMU the ability to terminate the contract without cause upon four years' prior notice, for which ruling KU retains certain rights to appeal. A motion to reconsider that ruling is presently pending before the Court. The parties are continuing various discovery proceedings, as well as settlement negotiations. A trial date has been set for October 2008. In May 2006, OMU issued a notification of its intent to terminate the OMU agreement contract in May 2010, without cause, absent any earlier relief which may be permitted by the proceeding. The Company is currently unable to determine the final outcome of this matter.

Sale and Leaseback Transaction. KU is a participant in a sale and leaseback transaction involving its 62% interest in two jointly owned CTs at KU's E.W. Brown generating station (Units 6 and 7). Commencing in December 1999, KU and LG&E entered into a tax-efficient, 18-year lease of the CTs. KU and LG&E have provided funds to fully defease the lease, and have executed an irrevocable notice to exercise an early purchase option contained in the lease after 15.5 years. The financial statement treatment of this transaction is no different than if KU had retained its ownership. The leasing transaction was entered into following receipt of required state and federal regulatory approvals.

In case of default under the lease, KU is obligated to pay to the lessor its share of certain fees or amounts. Primary events of default include loss or destruction of the CTs, failure to insure or maintain the CTs and unwinding of the transaction due to governmental actions. No events of default currently exist with respect to the lease. Upon any termination of the lease, whether by default or expiration of its term, title to the CTs reverts jointly to KU and LG&E.

At December 31, 2007, the maximum aggregate amount of default fees or amounts was \$10 million, of which KU would be responsible for 62% (approximately \$6 million). KU has made arrangements with E.ON U.S., via guarantee and regulatory commitment, for E.ON U.S. to pay KU's full portion of any default fees or amounts.

Letter of Credit. KU has provided a letter of credit totaling less than \$1 million to support certain obligations related to workers' compensation.

Purchased Power. KU has purchased power arrangements with OMU and OVEC. Under the OMU agreement, which could last through January 1, 2020, KU purchases all of the output of an approximately 400-Mw coal-fired generating station not required by OMU. The amount of purchased power available to KU during 2008-2010, which is expected to be approximately 6% of KU's total Kwh native load energy requirements, is

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dependent upon a number of factors including the OMU units' availability, maintenance schedules, fuel costs and OMU requirements. Payments are based on the total costs of the station allocated per terms of the OMU agreement. Included in the total costs is KU's proportionate share of debt service requirements on \$246 million of OMU bonds outstanding at December 31, 2007. The debt service is allocated to KU based on its annual allocated share of capacity, which averaged approximately 39% in 2007. KU does not guarantee the OMU bonds, or any requirements therein, in the event of default by OMU.

KU has a contract for purchased power with OVEC, terminating in 2026, for various Mw capacities. KU has an investment of 2.5% ownership in OVEC's common stock, which is accounted for on the cost method of accounting. KU's share of OVEC's output is 2.5%, approximately 55 Mw of generation capacity. Future obligations for power purchases are shown in the following table:

(in millions)	
2008	\$ 23
2009	25
2010	16
2011	8
2012	9
Thereafter	<u>143</u>
Total	<u>\$ 224</u>

Construction Program. KU had approximately \$392 million of commitments in connection with its construction program at December 31, 2007.

In June 2006, KU and LG&E entered into a construction contract regarding the TC2 project. The contract is generally in the form of a lump-sum, turnkey agreement for the design, engineering, procurement, construction, commissioning, testing and delivery of the project, according to designated specifications, terms and conditions. The contract price and its components are subject to a number of potential adjustments which may serve to increase or decrease the ultimate construction price paid or payable to the contractor. The contract also contains standard representations, covenants, indemnities, termination and other provisions for arrangements of this type, including termination for convenience or for cause rights.

TC2 Air Permit. The Sierra Club and other environmental groups filed a petition challenging the air permit issued for the TC2 baseload generating unit which was issued by the Kentucky Division of Air Quality in November 2005. The filing of the challenge did not stay the permit, so the Company was free to proceed with construction during the pendency of the action. In June 2007, the state hearing officer assigned to the matter recommended upholding the air permit with minor revisions. In September 2007, the Secretary of the Kentucky Environmental and Public Protection Cabinet issued a final Order approving the hearing officer's recommendation and upholding the permit. In September 2007, KU administratively applied for a permit revision to reflect minor design changes. In October 2007, the environmental groups submitted comments objecting to the draft permit revisions and, in part, attempting to reassert general objections to the generating unit. An agency decision on the final permit revisions may occur during 2008. The Company is currently unable to determine the final outcome of this matter.

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Mine Safety Compliance Costs. In March 2006, the Mine Safety and Health Administration enacted Emergency Temporary Standards regulations and has issued additional regulations as the result of the passage of the Mine Improvement and New Emergency Response Act of 2006, which was signed into law in June 2006. At the state level, Kentucky and other states that supply coal to KU, have passed new mine safety legislation. These pieces of legislation require all underground coal mines to implement new safety measures and install new safety equipment. Under the terms of some of the coal contracts KU has in place, provisions are made to allow for price adjustments for compliance costs resulting from new or amended laws or regulations. KU has begun to receive information from the mines it contracts with regarding price adjustments related to these compliance costs and has hired a consultant to review all supplier claims for validity and reasonableness. At this time KU has not been notified of claims by all mines and is reviewing those claims it has received. An adjustment will be made to the value of the coal inventory once the amount is determinable, however, the amount cannot be estimated at this time. The Company expects to recover these costs through the FAC.

Environmental Matters. KU's operations are subject to a number of environmental laws and regulations in each of the jurisdictions in which it operates, governing, among other things, air emissions, wastewater discharges, the use, handling and disposal of hazardous substances and wastes, soil and groundwater contamination and employee health and safety.

Clean Air Act Requirements. The Clean Air Act establishes a comprehensive set of programs aimed at protecting and improving air quality in the United States by, among other things, controlling stationary sources of air emissions such as power plants. While the general regulatory framework for these programs is established at the federal level, most of the programs are implemented and administered by the states under the oversight of the EPA. The key Clean Air Act programs relevant to KU's business operations are described below.

Ambient Air Quality. The Clean Air Act requires the EPA to periodically review the available scientific data for six criteria pollutants and establish concentration levels in the ambient air sufficient to protect the public health and welfare with an extra margin for safety. These concentration levels are known as national ambient air quality standards ("NAAQS"). Each state must identify "nonattainment areas" within its boundaries that fail to comply with the NAAQS and develop a SIP to bring such nonattainment areas into compliance. If a state fails to develop an adequate plan, the EPA must develop and implement a plan. As the EPA increases the stringency of the NAAQS through its periodic reviews, the attainment status of various areas may change, thereby triggering additional emission reduction obligations under revised SIPs aimed to achieve attainment.

In 1997, the EPA established new NAAQS for ozone and fine particulates that required additional reductions in SO₂ and NO_x emissions from power plants. In 1998, the EPA issued its final "NO_x SIP Call" rule requiring reductions in NO_x emissions of approximately 85% from 1990 levels in order to mitigate ozone transport from the midwestern U.S. to the northeastern U.S. To implement the new federal requirements, Kentucky amended its SIP in 2002 to require electric generating units to reduce their NO_x emissions to 0.15 pounds weight per MMBtu on a company-wide basis. In 2005, the EPA issued the CAIR which requires additional SO₂ emission reductions of 70% and NO_x emission reductions of 65% from 2003 levels. The CAIR provides for a two-phase cap and trade program, with initial reductions of NO_x and SO₂ emissions due by 2009 and 2010, respectively, and final reductions due by 2015. The final rule is currently under challenge in a number of federal court proceedings. In 2006, Kentucky proposed to amend its SIP to adopt state requirements similar to those under the

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federal CAIR. Depending on the level of action determined necessary to bring local nonattainment areas into compliance with the new ozone and fine particulate standards, KU's power plants are potentially subject to additional reductions in SO₂ and NO_x emissions. KU's weighted-average company-wide emission rate for SO₂ in 2007 was approximately 1.33 lbs./MMBtu of heat input, with every generating unit below its emission limit established by the Kentucky Division for Air Quality.

Hazardous Air Pollutants. As provided in the 1990 amendments to the Clean Air Act, the EPA investigated hazardous air pollutant emissions from electric utilities and submitted a report to Congress identifying mercury emissions from coal-fired power plants as warranting further study. In 2005, the EPA issued the CAMR establishing mercury standards for new power plants and requiring all states to issue new SIPs including mercury requirements for existing power plants. The EPA issued a model rule which provides for a two-phase cap and trade program with initial reductions due by 2010 and final reductions due by 2018. The CAMR provides for reductions of 70% from 2003 levels. The EPA closely integrated the CAMR and CAIR programs to ensure that the 2010 mercury reduction targets will be achieved as a "co-benefit" of the controls installed for purposes of compliance with the CAIR. The final rule is also currently under challenge in the federal courts. In February 2008, a federal appellate court issued a decision in one of the proceedings vacating the current CAMR, an outcome that may have the effect of resulting in more stringent mercury reduction rules. However, the ruling could be subject to further appeal. In 2006, Kentucky proposed to amend its SIP to adopt state requirements similar to those under the federal CAMR. In 2006, the Kentucky air agency adopted a regulation aimed at regulating additional hazardous air pollutants from sources including power plants, but it was withdrawn in 2007. To the extent those rules are final, they are not expected to have a material impact on KU's power plant operations.

Acid Rain Program. The 1990 amendments to the Clean Air Act imposed a two-phased cap and trade program to reduce SO₂ emissions from power plants that were thought to contribute to "acid rain" conditions in the northeastern U.S. The 1990 amendments also contained requirements for power plants to reduce NO_x emissions through the use of available combustion controls.

Regional Haze. The Clean Air Act also includes visibility goals for certain federally designated areas, including national parks, and requires states to submit SIPs that will demonstrate reasonable progress toward preventing future impairment and remedying any existing impairment of visibility in those areas. In 2005, the EPA issued its Clean Air Visibility Rule detailing how the Clean Air Act's BART requirements will be applied to facilities, including power plants, built between 1962 and 1974 that emit certain levels of visibility impairing pollutants. Under the final rule, as the CAIR will result in more visibility improvement than BART, states are allowed to substitute CAIR requirements in their regional haze SIPs in lieu of controls that would otherwise be required by BART. The final rule has been challenged in the courts.

Installation of Pollution Controls. Many of the programs under the Clean Air Act utilize cap and trade mechanisms that require a company to hold sufficient emissions allowances to cover its authorized emissions on a company-wide basis and do not require installation of pollution controls on every generating unit. Under cap and trade programs, companies are free to focus their pollution control efforts on plants where such controls are particularly efficient and utilize the resulting emission allowances for smaller plants where such controls are not cost effective. KU met its Phase I SO₂ requirements primarily through installation of FGD equipment on Ghent

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Unit 1. KU's combined strategy for its Phase II SO₂ requirements, which commenced in 2000, includes the installation of additional FGD equipment, as well as using accumulated emissions allowances and fuel switching to defer certain additional capital expenditures. In order to achieve the NO_x emission reductions and associated obligations, KU installed additional NO_x controls, including SCR technology, during the 2000 to 2007 time period at a cost of \$220 million. In 2001, the Kentucky Commission granted approval to recover the costs incurred by KU for these projects through the environmental surcharge mechanism. Such monthly recovery is subject to periodic review by the Kentucky Commission.

In order to achieve the emissions reductions mandated by the CAIR and CAMR, KU expects to incur additional capital expenditures totaling approximately \$675 million during the 2008 through 2010 time period for pollution controls including FGD and SCR equipment, and additional operating and maintenance costs in operating such controls. In 2005, the Kentucky Commission granted approval to recover the costs incurred by KU for these projects through the ECR mechanism. Such monthly recovery is subject to periodic review by the Kentucky Commission. KU believes its costs in reducing SO₂, NO_x and mercury emissions to be comparable to those of similarly situated utilities with like generation assets. KU's compliance plans are subject to many factors including developments in the emission allowance and fuels markets, future legislative and regulatory enactments, legal proceedings and advances in clean air technology. KU will continue to monitor these developments to ensure that its environmental obligations are met in the most efficient and cost-effective manner.

Potential GHG Controls. In 2005, the Kyoto Protocol for reducing GHG emissions took effect, obligating 37 industrialized countries to undertake substantial reductions in GHG emissions. The U.S. has not ratified the Kyoto Protocol and there are currently no mandatory GHG emission reduction requirements at the federal level. Legislation mandating GHG reductions has been introduced in the Congress, but no federal legislation has been enacted to date. In the absence of a program at the federal level, various states have adopted their own GHG emission reduction programs. Such programs have been adopted in various states including 11 northeastern U.S. states and the District of Columbia under the Regional GHG Initiative program and California. Substantial efforts to pass federal GHG legislation are ongoing. In addition, litigation is currently pending before various courts to determine whether the EPA and the states have the authority to regulate GHG emissions under existing law. In April 2007, the U.S. Supreme Court ruled that the EPA has the authority to regulate GHG under the Clean Air Act. KU is monitoring ongoing efforts to enact GHG reduction requirements at the state and federal level and is assessing potential impacts of such programs and strategies to mitigate those impacts. KU is unable to predict whether mandatory GHG reduction requirements will ultimately be enacted. As a Company with significant coal-fired generating assets, KU could be substantially impacted by programs requiring mandatory reductions in GHG emissions, although the precise impact on the operations of KU, including the reduction targets and deadlines that would be applicable, cannot be determined prior to the enactment of such programs.

Brown New Source Review Litigation. In April 2006, the EPA issued an NOV alleging that KU had violated certain provisions of the Clean Air Act's new source review rules relating to work performed in 1997, on a boiler and turbine at KU's E.W. Brown generating station. In December 2006, the EPA issued a second NOV alleging the Company had exceeded heat input values in violation of the air permit for the unit. During 2006, KU provided data responses to the EPA with respect to the allegations in the NOV's. In March 2007, the Department of Justice filed a complaint in federal court in Kentucky alleging the same violations specified in

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the prior NOVs. The complaint seeks civil penalties, including potential per-day fines, remedial measures and injunctive relief. In April 2007, KU filed an answer in the civil suit denying the allegations. In July 2007, a July 2009 date for trial on the merits was scheduled. The parties continue periodic settlement discussions and a \$2 million accrual has been recorded based on the current status of those discussions, however, KU cannot determine the overall outcome or potential effects of these matters, including whether substantial fines, penalties or remedial construction may result.

Section 114 Requests. In August 2007, the EPA issued administrative information requests under Section 114 of the Clean Air Act requesting new source review-related data regarding certain construction and maintenance activities at LG&E's Mill Creek 4 and Trimble County 1 generating units and KU's Ghent 2 generating unit. The Companies are complying with the information requests and are not able to predict further proceedings in this matter at this time.

Ghent Opacity NOV. In September 2007, the EPA issued an NOV alleging that KU had violated certain provisions of the Clean Air Act's operating rules relating to opacity during June and July of 2007 at Units 1 and 3 of KU's Ghent generating station. The parties have commenced initial discussions on this matter. KU is not able to estimate the outcome or potential effects of these matters, including whether substantial fines, penalties or remedial construction may result.

General Environmental Proceedings. KU has recently settled certain environmental matters. During 2005 and 2006, final judicial and administrative approvals were received regarding a consent decree relating to the October 1999 leak of approximately 38,000 gallons of diesel fuel (of which 34,000 gallons were recovered) from an underground pipeline at KU's E.W. Brown Station. Under the terms of the settlement, KU paid a civil penalty in 2006 and has agreed to construct a supplemental environmental project and maintain the project for ten years, each at a cost of less than \$1 million. During 2006, final judicial and administrative approvals were received regarding a settlement associated with a former transformer scrap-yard which had been the subject of April 2002 correspondence to KU and other potentially responsible parties. Under the terms of the settlement, the parties bore aggregate cleanup costs of approximately \$2 million, of which KU's share was less than \$1 million, which was paid in December 2006.

From time to time, KU appears before the EPA, various state or local regulatory agencies and state and federal courts regarding matters involving compliance with applicable environmental laws and regulations. Such matters include liability under the Comprehensive Environmental Response, Compensation and Liability Act for cleanup at various off-site waste sites and ongoing claims regarding GHG emissions from KU's generating stations. Based on analysis to date, the resolution of such matters is not expected to have a material impact on the operations of KU.

Note 10 - Jointly Owned Electric Utility Plant

KU and LG&E have begun construction of TC2, a jointly owned unit at the Trimble County site. KU and LG&E own undivided 60.75% and 14.25% interests, respectively, in TC2. Of the remaining 25% of TC2, Illinois Municipal Electric Agency ("IMEA") owns a 12.12% undivided interest and Indiana Municipal Power Agency ("IMPA") owns a 12.88% undivided interest. Each company is responsible for its proportionate share of capital cost during construction, and fuel, operation and maintenance cost

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when TC2 begins operation, which is expected to occur in 2010.

	TC2				Total
	LG&E	KU	IMPA	IMEA	
Ownership interest	14.25%	60.75%	12.88%	12.12%	100%
Mw capacity	107	455	97	91	750
(in millions)					
Construction work in progress	\$74	\$332			

KU and LG&E jointly own the following CTs and related equipment:

(\$ in millions)	KU				LG&E				Total			
	Mw Capacity	(\$) Cost	(\$) Depreciation	(\$) Net Book Value	Mw Capacity	(\$) Cost	(\$) Depreciation	(\$) Net Book Value	Mw Capacity	(\$) Cost	(\$) Depreciation	(\$) Net Book Value
KU 47%, LG&E 53% (1)	129	51	(11)	40	146	58	(12)	46	275	109	(23)	86
KU 62%, LG&E 38% (2)	190	78	(14)	64	118	50	(10)	40	308	128	(24)	104
KU 71%, LG&E 29% (3)	228	80	(14)	66	92	32	(6)	26	320	112	(20)	92
KU 63%, LG&E 37% (4)	404	137	(17)	120	236	79	(8)	71	640	216	(25)	191
KU 71%, LG&E 29% (5)	n/a	9	(2)	7	n/a	3	-	3	n/a	12	(2)	10

- 1) Comprised of Paddy's Run 13 and E.W. Brown 5. In addition to the above jointly owned utility plant, there is an inlet air cooling system attributable to Unit 5 and units 8-11 at the E.W. Brown facility. This inlet air cooling system is not jointly owned, however, it is used to increase production on the units to which it relates, resulting in an additional 88 Mw of capacity for KU.
- 2) Comprised of units 6 and 7 at the E.W. Brown facility.
- 3) Comprised of units 5 and 6 at the Trimble County facility.
- 4) Comprised of CT Substation 7-10 and units 7, 8, 9 and 10 at the Trimble County facility.
- 5) Comprised of CT Substation 5 and 6 and CT Pipeline at the Trimble County facility.

Both KU's and LG&E's participating share of direct expenses of the jointly owned plants is included in the corresponding operating expenses on its respective income statement (e.g., fuel, maintenance of plant, other operating expense).

Note 11 - Related Party Transactions

KU, subsidiaries of E.ON U.S. and subsidiaries of E.ON engage in related party transactions. Transactions between KU and E.ON U.S. subsidiaries are eliminated upon consolidation of E.ON U.S. Transactions between KU and E.ON subsidiaries are eliminated upon consolidation of E.ON. These transactions are generally performed at cost and are in accordance with the FERC regulations under PUHCA 2005 and the applicable Kentucky Commission and Virginia Commission regulations. The significant related party transactions are disclosed below.

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Electric Purchases

KU and LG&E purchase energy from each other in order to effectively manage the load of their retail and wholesale customers. These sales and purchases are included in the statements of income as operating revenues and purchased power operating expense. KU intercompany electric revenues and purchased power expense for the years ended December 31, were as follows:

(in millions)	<u>2007</u>	<u>2006</u>
Electric operating revenues from LG&E	\$46	\$77
Purchased power from LG&E	93	99

Interest Charges

See Note 8, Notes Payable and Other Short-Term Obligations, for details of intercompany borrowing arrangements. Intercompany agreements do not require interest payments for receivables related to services provided when settled within 30 days.

KU's intercompany interest income and expense for the years ended December 31, were as follows:

(in millions)	<u>2007</u>	<u>2006</u>
Interest on money pool loans	\$ 6	\$ 3
Interest on Fidelity loans	35	21

Other Intercompany Billings

E.ON U.S. Services provides KU with a variety of centralized administrative, management and support services. These charges include payroll taxes paid by E.ON U.S. on behalf of KU, labor and burdens of E.ON U.S. Services employees performing services for KU and vouchers paid by E.ON U.S. Services on behalf of KU. The cost of these services is directly charged to KU, or for general costs which cannot be directly attributed, charged based on predetermined allocation factors, including the following ratios: number of customers, total assets, revenues, number of employees and other statistical information. These costs are charged on an actual cost basis.

In addition, KU and LG&E provide services to each other and to E.ON U.S. Services. Billings between KU and LG&E relate to labor and overheads associated with union employees performing work for the other utility, charges related to jointly owned CTs and other miscellaneous charges. Billings from KU to E.ON U.S. Services relate to cash received by E.ON U.S. Services on behalf of KU, primarily tax settlements, and other payments made by KU on behalf of other non-regulated businesses which are paid through E.ON U.S. Services.

Intercompany billings to and from KU for the years ended December 31, were as follows:

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(in millions)	<u>2007</u>	<u>2006</u>
E.ON U.S. Services billings to KU	\$488	\$353
KU billings to LG&E	6	56
LG&E billings to KU	12	53
KU billings to E.ON U.S. Services	26	23

In September and December 2007, KU received capital contributions from its shareholder, E.ON U.S. in the amount of \$55 million and \$20 million, respectively.

Note 12 – Accumulated Other Comprehensive Income

Accumulated other comprehensive income (loss) consisted of the following:

(in millions)	Minimum Pension Liability <u>Adjustment</u>	<u>Pre-Tax</u>	Income <u>Taxes</u>	<u>Net</u>
Balance at December 31, 2005	\$ (32)	\$ (32)	\$ 13	\$(19)
Minimum pension liability adjustment	<u>32</u>	<u>32</u>	<u>(13)</u>	<u>(19)</u>
Balance at December 31, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at December 31, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Subsequent to the application of SFAS No. 158, adjustments to the minimum pension liability are recorded as regulatory assets and liabilities. As a result, there are no adjustments to the minimum pension liability recorded in accumulated other comprehensive income at December 31, 2007 or 2006.

Note 13 - Notes to Statement of Cash Flows

Supplemental disclosures of cash flow information

(in millions)	<u>2007</u>	<u>2006</u>
Cash paid during the period for:		
Income taxes	\$38	\$82
Interest on borrowed money	16	15
Interest to affiliated companies on borrowed money	29	20

Note 14 – Subsequent Events

On January 18, 2008, the Kentucky Commission issued an Order approving the charges and credits billed through the FAC during the review period of November 1, 2006 through April 30, 2007.

On February 1, 2008, the Kentucky Commission issued an Order approving the real-time pricing pilot program

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
Kentucky Utilities Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

proposed by KU, for implementation within approximately eight months, for its large commercial and industrial customers.

On January 31, 2008 and February 14, 2008, the ratings of the Carroll County 2004 Series A bonds were downgraded from AAA to AA by S&P and from Aaa to A2 by Moody's, respectively, due to downgrades of the bond insurer. On February 25, 2008, the bonds were subsequently downgraded from AA to A by S&P, due to a further downgrade of the insurer.

On February 7, 2008 and February 25, 2008, the Carroll County 2006 Series C bonds were downgraded from Aaa to A2 by Moody's and from AAA to A- by S&P, due to downgrades of the bond insurer.

On February 26, 2008, KU commenced steps, including notice to relevant parties, to convert the Carroll County 2007 Series A bonds and the Trimble County 2007 Series A bonds, from the auction rate mode to a fixed interest rate mode. Such conversions are scheduled to occur on April 4, 2008.

Beginning in late 2007, the interest rates on the insured bonds, wherein interest rates are reset either weekly or every 35 days via an auction process, began to increase due to investor concerns about the creditworthiness of the bond insurers. In 2008, interest rates have continued to increase, and the Company has experienced "failed auctions" when there are insufficient bids for the bonds. When there is a failed auction, the interest rate is set pursuant to a formula stipulated in the indenture which can be as high as 15%. During 2007, the average rate on the auction rate bonds was 3.96%, whereas the average rate in January and February of 2008 was 4.72%.

On March 4, 2008, the FERC issued an Order approving the MISO exit fee recalculation agreement which provides KU with an immediate recovery of \$1 million and an estimated \$3 million over the next eight years for credits realized from other payments the MISO will receive, plus interest.

On March 17, 2008, KU commenced steps, including notice to relevant parties, to convert the Carroll County 2006 Series C bonds from the auction rate mode to a weekly interest rate mode. Such conversion is scheduled to occur on April 16, 2008.

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
<p>1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.</p> <p>2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.</p> <p>3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.</p>					
Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(19,336,791)		
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income		19,336,791		
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)		19,336,791		
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			(19,336,791)		
2			19,336,791		
3					
4			19,336,791	-151,820,783	171,157,574
5					
6					
7					
8					
9				166,962,574	166,962,574
10					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.				
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)	
1	Utility Plant			
2	In Service			
3	Plant in Service (Classified)	3,867,960,512	3,867,960,512	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Experimental Plant Unclassified			
8	Total (3 thru 7)	3,867,960,512	3,867,960,512	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	1,071,388,626	1,071,388,626	
12	Acquisition Adjustments			
13	Total Utility Plant (8 thru 12)	4,939,349,138	4,939,349,138	
14	Accum Prov for Depr, Amort, & Depl	1,931,454,524	1,931,454,524	
15	Net Utility Plant (13 less 14)	3,007,894,614	3,007,894,614	
16	Detail of Accum Prov for Depr, Amort & Depl			
17	In Service:			
18	Depreciation	1,914,631,932	1,914,631,932	
19	Amort & Depl of Producing Nat Gas Land/Land Right			
20	Amort of Underground Storage Land/Land Rights			
21	Amort of Other Utility Plant	16,822,592	16,822,592	
22	Total In Service (18 thru 21)	1,931,454,524	1,931,454,524	
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	Total Leased to Others (24 & 25)			
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	Total Held for Future Use (28 & 29)			
31	Abandonment of Leases (Natural Gas)			
32	Amort of Plant Acquisition Adj			
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,931,454,524	1,931,454,524	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization	44,456		
3	(302) Franchises and Consents	83,453		
4	(303) Miscellaneous Intangible Plant	25,522,749	2,263,289	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	25,650,658	2,263,289	
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights	10,478,525		
9	(311) Structures and Improvements	158,615,786	16,438,598	
10	(312) Boiler Plant Equipment	1,034,700,589	131,853,704	
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units	209,776,086	2,018,971	
13	(315) Accessory Electric Equipment	82,078,831	13,481,105	
14	(316) Misc. Power Plant Equipment	23,308,111	522,961	
15	(317) Asset Retirement Costs for Steam Production	9,249,179		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,528,205,107	164,315,339	
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights	879,312		
28	(331) Structures and Improvements	453,196		
29	(332) Reservoirs, Dams, and Waterways	7,954,452	1,072,820	
30	(333) Water Wheels, Turbines, and Generators	420,536		
31	(334) Accessory Electric Equipment	85,383		
32	(335) Misc. Power PLant Equipment	101,512		
33	(336) Roads, Railroads, and Bridges	46,976		
34	(337) Asset Retirement Costs for Hydraulic Production	4,970		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	9,946,337	1,072,820	
36	D. Other Production Plant			
37	(340) Land and Land Rights	294,924		
38	(341) Structures and Improvements	35,982,154		
39	(342) Fuel Holders, Products, and Accessories	21,009,004	76,153	
40	(343) Prime Movers	337,567,595	9,070,204	
41	(344) Generators	59,334,142		
42	(345) Accessory Electric Equipment	30,952,419	30,170	
43	(346) Misc. Power Plant Equipment	5,183,418	44,131	
44	(347) Asset Retirement Costs for Other Production	70,990		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	490,394,646	9,220,658	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,028,546,090	174,608,817	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.					
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.					
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.					
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			44,456		2
			83,453		3
3,190,893			24,595,145		4
3,190,893			24,723,054		5
					6
					7
		395,739	10,874,264		8
2,223,808			172,830,576		9
8,662,429			1,157,891,864		10
					11
2,363,301			209,431,756		12
1,267,672			94,292,264		13
205,019			23,624,053		14
			9,249,179		15
14,722,229		395,739	1,678,193,956		16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
			879,312		27
			453,196		28
2,023			9,025,249		29
43,039			377,497		30
			85,383		31
			101,512		32
			46,976		33
			4,970		34
45,062			10,974,095		35
					36
			294,924		37
			35,982,154		38
142			21,085,015		39
1,998,860			344,638,939		40
			59,334,142		41
25,576			30,957,013		42
			5,227,549		43
			70,990		44
2,024,578			497,590,726		45
16,791,869		395,739	2,186,758,777		46

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	24,509,692		
49	(352) Structures and Improvements	8,147,437		262,613
50	(353) Station Equipment	187,891,623		3,029,311
51	(354) Towers and Fixtures	63,308,079		
52	(355) Poles and Fixtures	91,302,831		8,565,894
53	(356) Overhead Conductors and Devices	129,755,652		2,783,479
54	(357) Underground Conduit	448,760		
55	(358) Underground Conductors and Devices	1,114,762		
56	(359) Roads and Trails			
57	(359.1) Asset Retirement Costs for Transmission Plant	11,027		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	506,489,863		14,641,297
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	3,240,943		1,635
61	(361) Structures and Improvements	4,457,894		632,246
62	(362) Station Equipment	100,792,636		3,245,726
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	193,793,680		4,531,212
65	(365) Overhead Conductors and Devices	180,861,757		4,612,489
66	(366) Underground Conduit	1,728,495		
67	(367) Underground Conductors and Devices	70,302,254		2,558,496
68	(368) Line Transformers	236,783,306		11,375,630
69	(369) Services	83,111,706		13,568
70	(370) Meters	84,856,076		1,083,210
71	(371) Installations on Customer Premises	18,276,459		7,243
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	53,640,294		56,336
74	(374) Asset Retirement Costs for Distribution Plant	18,810		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,013,864,110		28,117,791
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	2,811,100		15
87	(390) Structures and Improvements	32,731,716		281,491
88	(391) Office Furniture and Equipment	20,688,711		1,869,261
89	(392) Transportation Equipment	23,860,354		78,801
90	(393) Stores Equipment	738,677		4,390
91	(394) Tools, Shop and Garage Equipment	5,333,516		274,339
92	(395) Laboratory Equipment	3,202,203		
93	(396) Power Operated Equipment	270,943		
94	(397) Communication Equipment	16,151,737		1,087,628
95	(398) Miscellaneous Equipment	394,809		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	106,183,766		3,595,925
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	106,183,766		3,595,925
100	TOTAL (Accounts 101 and 106)	3,680,734,487		223,227,119
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	3,680,734,487		223,227,119

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
		64,426	24,574,118		48
26,842			8,383,208		49
521,200			190,399,734		50
28,613			63,279,466		51
204,554			99,664,171		52
149,381			132,389,750		53
			448,760		54
			1,114,762		55
					56
			11,027		57
930,590		64,426	520,264,996		58
					59
		252,240	3,494,818		60
31,227			5,058,913		61
633,947			103,404,415		62
					63
408,115			197,916,777		64
394,066			185,080,180		65
182,261			1,546,234		66
27,192			72,833,558		67
1,693,660			248,465,276		68
3,215			83,122,059		69
574,434			65,364,852		70
830			18,282,872		71
					72
53,834			53,642,796		73
			18,610		74
4,002,781		252,240	1,038,231,360		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
		-235,143	2,575,972		86
2,736,942			30,276,265		87
3,591,762			18,966,210		88
4,934,986		-48,370	18,955,799		89
8,014			735,053		90
134,358			5,473,497		91
41,820			3,160,383		92
			270,943		93
44,753			17,194,612		94
21,218			373,591		95
11,513,853		-283,513	97,982,325		96
					97
					98
11,513,853		-283,513	97,982,325		99
36,429,986		428,892	3,867,960,512		100
					101
					102
					103
36,429,986		428,892	3,867,960,512		104

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	STEAM PRODUCTION			
2	TC2 - PROJECT - KU			272,840,730
3	GH4 FGD			124,213,968
4	GHENT SO2 COMMON			121,821,540
5	BROWN 1, 2, 3 FGD			101,697,442
6	TC2 AQCS KU			58,908,595
7	KU SOX PROGRAM - GHENT 2 FGD SYSTEM			53,641,507
8	BROWN ASH POND EXPANSION PHASE 1 - DEVELOPMENT STAGE			27,195,456
9	GH1 GENERATOR REFURBISHMENT			11,584,337
10	GHENT 3 CONTROLS MODERNIZATION			5,669,656
11	SO3 SORBENT INJECTION			4,637,577
12	GHENT 1 CONTROLS MODERNIZATION			4,605,507
13	GHENT SCR			2,736,323
14	GHENT 4 CONTROLS MODERNIZATION			2,523,551
15	BR1 CONTROLS UPGR			2,485,700
16	KU SOX PROGRAM - FGDS AT BR 1-3 AND GH 1-4			2,450,026
17	GHENT 2 CONTROLS MODERNIZATION			1,456,108
18	BR 1 COOLING TOWER REBUILD			1,110,925
19	REVISED GH4 ECONOMIZER REPLACEMENT DEVELOPMENT PROPOSAL			1,052,659
20	GH1 REHEAT OUTLET HEADER REPLACEMENT			993,792
21	FUEL SUPPLY MANAGEMENT SYSTEM			840,766
22	GR FUEL OIL TANK REPLACEMENT			808,627
23	BR3 TURBINE CONTROL UPGRADE			758,135
24	BR3 THROTTLE VALVE SEAT			565,945
25	TRIMBLE COUNTY ASH/GYPSUM PONDS			441,084
26	BR MAIN OFFICE HVAC REPLACEMENT			436,431
27	TY3 GENERATOR LEAD REPLACEMENT			390,515
28	GH4 UNDER TURBINE FIRE PROTECTION			389,358
29	BR3 BUNKER LINERS/PITS			319,791
30	GH 2B AUXILIARY TRANSFORMER			292,925
31	BR3-1 SOOTBLOWER AIR COMPRESSOR REPLACEMENT			284,977
32	BR2 RH INLET & OUTLET HDR			272,479
33	GHENT ASH POND/LANDFILL			264,651
34	BR 1-3 PULVERIZER GEARBOX REBUILD			261,921
35	GHENT SPCC COMPLIANCE MODIFICATIONS			237,026
36	TY3 GENERATOR BUSHINGS			235,264
37	BR1-2 TURBINE VIBRATION MONITOR UPGRADE			224,320
38	BR1 TURBINE SEALS			213,971
39	UMS GROUP INVESTMENT EVALUATION MODEL			168,605
40	BR1-1 SWP REBUILD			152,914
41	GP PRECIPITATOR CONTROLS UPGRADE			146,134
42	GH CONVEYOR BELT REPL			135,005
43	TOTAL			1,071,388,626

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	TY3 5-1 EL MILL CONVERSION	128,244		
2	BR3 ROOF VENT FAN REPLACEMENT	117,075		
3	GH SO3 ENGINEERING STUDY	108,583		
4	BR1 CONTROL AIR COMPRESSOR REPLACEMENT	104,612		
5	REVISED BR2 TURBINE BLADES	104,250		
6	STEAM PRODUCTION MINOR	344,869		
7				
8	HYDRAULIC POWER			
9	DX3 JOHNSON VALVE REFURBISHMENT	840,211		
10	HYDRAULIC POWER MINOR	139,122		
11				
12	OTHER PRODUCTION			
13	BR CT6 A/B CONVERSION	6,125,400		
14	BR CT 11N2 VANE REPLACEMENT	1,524,046		
15	TC CT9 COMPRESSOR BLADE REPLACEMENT	201,352		
16	OTHER PRODUCTION MINOR	22,095		
17				
18	TRANSMISSION			
19	DEVELOPMENT FOR TRIMBLE COUNTY UNIT 2	23,973,530		
20	SIMPSONVILLE CONTROL CENTER	5,293,848		
21	BROWN ASH POND EXPANSION, PHASE 1 - DEVELOPMENT STAGE	4,186,202		
22	UNDERGROUND RELOCATION FOR THE UK CHANDLER MEDICAL CENTER	3,880,997		
23	LOUDON AVE TO LANSDOWN 69KV DOUBLE CIRCUIT REBUILD	3,707,504		
24	VIRGINIA CITY - CLINCH RIVER 138 KV	3,504,302		
25	NORTH AMERICAN STAINLESS 345-138 KV 450 MVA TRANSFORMER	3,113,818		
26	PRIORITY REPL T-LINES PWO	2,993,174		
27	VIRGINIA CITY 138/69 KV TRANSFORMER ADDITION	1,724,983		
28	FAWKES 138-69KV, 150 MVA	1,314,456		
29	GHENT-KENTON 138 KV LINE - P2 POLE REPLACEMENT	724,169		
30	NAS TAP 345 KV LINE	627,577		
31	SPCC MODIFICATIONS	595,134		
32	STORM DAMAGE T-LINE PWO	492,124		
33	MISC SUBSTATION PROJECTS	419,764		
34	RELOCATIONS TRANS LINES	357,269		
35	PARAMETER UPGRADE T LINE PWO	355,889		
36	LOUDON AVE - WINCHESTER 69 KV REBUILD	354,250		
37	LAWRENCEBURG PRIORITY 2 POLE REPLACEMENT	304,725		
38	BROWN - FAWKES 138KV	299,769		
39	RELOC RING RD PROJ (345KV)	294,221		
40	GHENT 345 KV BREAKER ADDITION	293,056		
41	NEW FACILITIES TRANS LINE PWO	291,903		
42	HWY 52 RELOCATION RICHMOND	277,093		
43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	EW BROWN HIGBY MILL DC 138KV RELOCATION	251,431		
2	REPLACE FAILED HARLAN Y TRANSFORMER	235,050		
3	TAYLOR CO TRANSFORMER	183,753		
4	GHENT - KENTON 138 KV LINE - BUTLER SWITCHES	178,610		
5	DETROIT HARVESTER SECTION OF PARIS-LEX PLANT	172,900		
6	KU RTU PURCHASE	114,620		
7	DELVINTA 824 CARRIER ADDN	109,270		
8	INST ELK CRK MINE 69 TAP	105,619		
9	GARRARD COUNTY HIGH SCHOOL	100,223		
10	TRANSMISSION MINOR	1,059,780		
11				
12	DISTRIBUTION			
13	NEW BUS RESID-OVHD-LEXINGTON	7,882,165		
14	NEW BUS SERV-UG-LEXINGTON	8,673,288		
15	NEW BUS SUBD-UG-LEXINGTON	4,368,503		
16	STREET LIGHTING 315	3,886,900		
17	NEW BUS RESID-UG-LEXINGTON	3,449,214		
18	NEW BUS COMM-UG-LEXINGTON	3,378,714		
19	KU SUBSTATION SPILL PREVENTION	3,104,569		
20	NEW BUS COMM-OVHD-LEXINGTON	3,017,797		
21	NEW BUS RESID-OVHD-EARLINGTON	2,326,373		
22	OUTDOOR LIGHTING 315	2,309,369		
23	NEW ELECT SERV-OVHD-LEXINGTON	2,145,502		
24	NEW BUS SERV-UG-RICHMOND	1,987,098		
25	INST LEBANON JUNCTION SUB	1,791,944		
26	NEW BUS RESID-OVHD-DANVILLE	1,789,573		
27	NEW BUS SERV-UG-ETOWN	1,789,524		
28	REP DEF EQUIP-OH-LEXINGTON	1,690,700		
29	PURCHASE PROPERTY FOR INNOVATION DRIVE SUB 428-1	1,612,536		
30	NEW BUS RESID-OVHD-SHELBYVILLE	1,606,496		
31	NEW BUS RESID-OVHD-NORTON	1,596,806		
32	NEW ELECT SERV-OVHD-EARLINGTON	1,555,195		
33	NEW BUS COMM-OVHD-MAYSVILLE	1,546,853		
34	NEW BUS SERV-UG-MAYSVILLE	1,545,125		
35	NEW BUS SUBD-UG-RICHMOND	1,542,460		
36	NEW ELECT SERVICES - OVERHEAD	1,512,588		
37	W360 LTC REBUILD	1,482,848		
38	STREET LIGHTING 236	1,481,121		
39	NEW BUS RESID-UG-MAYSVILLE	1,469,642		
40	NEW BUS SERV-UG-EARLINGTON	1,450,852		
41	REP DEF EQUIP-OH-EARLINGTON	1,407,461		
42	NEW BUS RESID-UG-SHELBYVILLE	1,400,577		
43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	NEW BUS SERV-UG-DANVILLE	1,384,143		
2	NEW BUS RESID-UG-DANVILLE	1,384,010		
3	NEW BUS RESID-OVHD-MAYSVILLE	1,382,188		
4	NEW BUS RESID-OVHD-LONDON	1,366,284		
5	NEW BUS SUBD-OVHD-LEXINGTON	1,295,405		
6	NEW BUS SERV-UG-SHELBYVILLE	1,273,235		
7	NEW BUS RESID-OVHD-ETOWN	1,220,029		
8	NEW BUS COMM-OVHD-EARLINGTON	1,205,216		
9	NEW BUS COMM-OVHD-DANVILLE	1,177,878		
10	NEW ELECTRIC SERV - OVERHEAD	1,058,556		
11	2-12 MVA BASE TRANS RM 2-10 MVA BANES TRAN AT LEMONS MILL #723	1,052,038		
12	NEW BUS SUBD-UG-SHELBYVILLE	1,048,748		
13	NEW ELECT SERV-OVHD-NORTON	1,027,507		
14	NEW ELECT SERV-OVHD-MAYSVILLE	1,004,224		
15	DIST. LINE TRANSFORMER	988,679		
16	NEW BUS COMM-OVHD-ETOWN	983,810		
17	NEW ELECT SERV-OVHD-PINEVILLE	973,702		
18	NEW ELECT SERV-OVHD-DANVILLE	971,698		
19	PURCHASE TRANSFORMER 315	929,538		
20	STREET LIGHTING 366	920,718		
21	STREET LIGHTING 216	880,286		
22	STREET LIGHTING 246	878,129		
23	NEW BUS SUBD-UG-ETOWN	877,302		
24	REP DEF EQUIP-UG-LEXINGTON	852,182		
25	NEW BUS COMM-OVHD-NORTON	835,566		
26	REP THIRD PARTY DAM 315	832,627		
27	NEW BUS SERV-UG-LONDON	816,310		
28	POLE REPAIR/REPL 246	808,571		
29	KU WORST CIRCUITS CIRCUIT HARDENING	793,197		
30	NEW BUS RESID-UG-LONDON	782,907		
31	NEW BUS RESID-UG-EARLINGTON	774,200		
32	NEW BUS COMM-UG-MAYSVILLE	760,913		
33	NEW ELECT SERV-OVHD-SHELBYVILLE	746,907		
34	NEW BUS SERVICE-UG-NORTON	716,037		
35	SYSTEM ENHANCEMENT - EXIST CUST-LEXINGTON	715,835		
36	REPLACE TAYLORSVILLE 5/7 MVA TRANSFORMER	701,353		
37	PURCHASE 161X69 SPARE TRANSFORMER	693,043		
38	SPARE TRANSFORMERS	676,391		
39	NEW BUS RESID-UG-ETOWN	675,910		
40	PUB WRK RELOC-OH-LEXINGTON	669,496		
41	POLE REP/REPL 156	649,240		
42	NEW BUS SUBD-OVHD-ETOWN	640,295		
43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	NEW BUS COMM-UG-DANVILLE	637,456		
2	STREET LIGHTING 156	633,398		
3	REP DEF EQUIP-OH-DANVILLE	629,575		
4	ADD TRANSF UNION UNDERWEAR	629,077		
5	REP DEF EQUIP-OH-DANVILLE	627,797		
6	PURCHASE TRANSFORMERS 236	608,085		
7	OUTDOOR LIGHTING 216	601,224		
8	POLE REPAIR/REPL 256	584,848		
9	RP SHUN PIKE TRANSFORMER	575,804		
10	POLE REPAIR REPL 315	570,538		
11	RP RICHMOND 34KV	562,583		
12	STREET LIGHTING 426	543,745		
13	REP DEF EQUIP-OH-RICHMOND	533,217		
14	ADD TRANSF HORSE CAVE INDUSTRIAL	527,463		
15	DIST RELIABILITY 156	525,849		
16	TROUBLE ORDERS O/H 246	523,398		
17	STREET LIGHTING 256	516,787		
18	NEW ELECT SERV-OVHD-LONDON	502,622		
19	REP REPL ST LIGHTS 315	495,239		
20	TROUBLE ORDERS 156	494,368		
21	SYSTEM ENHANCEMENT - EXIST CUST EARLINGTON	487,927		
22	RELOCATIONS CUST REQUEST 216	484,942		
23	NEW BUS COMM-OVHD-PINEVILLE	476,411		
24	CIRCUIT RELIAB O/H 315	474,465		
25	STREET LIGHTING 416	470,889		
26	INST CAP/REG/RECL-LEXINGTON	464,471		
27	KU STORMS	461,077		
28	NEW BUS COMM-UG-ETOWN	456,391		
29	NEW BUSINESS RES 216	449,176		
30	OUTDOOR LIGHTING 156	445,991		
31	CITY OF BARDSTOWN SUB	439,554		
32	STREET LIGHTING 766	429,594		
33	POLE REPAIR/REPL 366	428,951		
34	RP 69/34 TRANS DORCHESTER	427,674		
35	NEW BUS SERV-UG-PINEVILLE	427,504		
36	NEW BUS COMM-UG-NORTON	424,703		
37	NEW BUS SUBD-UG-DANVILLE	421,887		
38	NEW BUS IND-OVHD-DANVILLE	420,616		
39	PUB WRK RELC-OH-ETOWN	418,056		
40	CONSTRUCT LEBANON EAST SUB	415,132		
41	REP REPL DEF ST LIGHTS 156	414,668		
42	TROUBLE ORDERS O/H 256	411,500		
43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	REP REPL DEF ST LIGHTS 236	410,855		
2	SYS ENH EXIST CUST ETOWN	407,951		
3	ROGERS GAP DISTRIBUTION	406,447		
4	REP THIRD PARTY DAM 236	387,213		
5	IN 5 MVA BASE (7) NON TC TRANSFORMER AND ASSOC EQUIPMENT AT KY	370,721		
6	DIST CAPACITORS KU	363,107		
7	SYS ENHAN EXIST CUST DANVILLE	362,190		
8	PURCHASE LAND FOR A NEW BEDFORD, KY SUBSTATION	358,096		
9	TROUBLE ORDERS OVERHEAD	355,900		
10	RELIABILITY O/H 156	354,960		
11	TROUBLE ORDERS 216	330,953		
12	REP DEF EQUIP OH-LONDON	329,451		
13	REP DEF EQUIP OH-MAYSVILLE	323,113		
14	SYS ENHAN EXIST CUST PINEVILLE	310,942		
15	PURCHASE TRANSFORMERS 366	308,963		
16	POLE REP REPL 426	308,290		
17	PURCHASE TRANSFORMER 246	305,587		
18	SYS ENHAN EXIST CUST LONDON	304,069		
19	PUB WORK RELOC OH DANVILLE	303,909		
20	REP THIRD PARTY DAM 366	301,848		
21	PURCHASE TRANSFORMERS 256	301,533		
22	SYS ENH NEW CUST RICHMOND	301,448		
23	EL SUB ABB TRANSF REPL	291,042		
24	REP REPL DEF ST LIGHTS 366	288,870		
25	REP REPL DEFECTIVE EQUIP	288,461		
26	OUTDOOR LIGHTING 236	288,371		
27	RELOCATIONS CUST REQUEST 416	285,455		
28	BROWN 1, 2, 3 FGD	284,963		
29	REP REPL DEF ST LIGHTS 246	279,544		
30	OUTDOOR LIGHTING 426	277,294		
31	OUTDOOR LIGHTING 766	275,373		
32	SYS ENHAN EXIST CUST MAYSVILLE	266,528		
33	REP REPL DEF ST LIGHTS 256	262,789		
34	REP THIRD PARTY DAM 256	261,218		
35	RELIABILITY O/H 256	256,466		
36	REP DEF EQUIP OH ETOWN	254,791		
37	RELOCATIONS CUST REQUEST 786	252,317		
38	NEW BUSINESS COM 426	251,139		
39	REP THIRD PARTY DAM 216	250,801		
40	SCM EARL SUBSTATION REP (PURCHASE S&C FUSES)	247,825		
41	KU DIST PF CORRECTION	247,660		
42	OUTDOOR LIGHTING 246	246,627		
43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	SYS ENHANC - EXIST CUST SHELBYVILLE	244,210		
2	NEW BUSINESS RES 426	241,445		
3	OAKHILL SUB BATTERY REPL	239,875		
4	NEW BUS IND UG ETOWN	239,590		
5	TATES CREEK RD HWY PROJ RIC	235,520		
6	WINCHESTER WATER WORKS	233,677		
7	SCM TRANSFORMER REWINDERS	229,669		
8	NEW BUS IND UG DANVILLE	225,652		
9	OUTDOOR LIGHTING 416	224,833		
10	REP REPL DEF ST LIGHTS 216	223,850		
11	NEW BUS COMM-UG-EARLINGTON	222,470		
12	RELIABILITY RECONSTRUCTION 366 OH	221,937		
13	NEW BUSINESS COM 216	220,580		
14	PUB WRK RELOC-OH-LONDON	216,457		
15	RELOCATIONS CUST REQUEST 238	215,416		
16	STRATTON PIKE REBUILD	206,772		
17	NEW BUS COMM-UG-PINEVILLE	206,768		
18	TOOLS AND EQUIP 258	206,227		
19	TOOLS AND EQUIP 246	204,131		
20	POLE REPAIR 416	203,205		
21	POLE REPAIR 238	202,139		
22	PURCHASE OF METERS	201,834		
23	REP/REPL DEF POL'S 426	200,909		
24	RELOCATIONS CUST REQUEST 426	200,617		
25	CIRCUIT HARD REL OH NORTON	198,165		
26	REP/REPL DEF POL'S 256	197,986		
27	HWY RELOC KY 1577	189,584		
28	ETOWN STORM RESTORATION	189,401		
29	INSTALL NEW 795 CIRCUIT TO NESTLE PLAN 2	188,412		
30	UNION UNDERWEAR CIRCUIT WORK	187,117		
31	BOGGS LANE	185,147		
32	INST CAP/REG/RECL SHELBYVILLE	185,108		
33	MOBILE COMPUTING INFRASTRUCTURE	181,477		
34	REP DEF EQUIP OH PINEVILLE	177,782		
35	PURCHASE TRANSFORMERS 768	172,552		
36	INST CAP REG RECL MAYSVILLE	171,501		
37	PAYNES DEPOT RD (US62) HIGHWAY	168,364		
38	REP REPL DEF POL'S15	167,551		
39	POLE REPAIR 216	166,635		
40	DIST RELIABILITY 246	166,481		
41	RELIABILITY RECONSTRUCTION 216 OH	166,245		
42	NEW BUS SUBD-UG-EARLINGTON	165,561		
43	TOTAL	1,071,388,626		

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CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
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Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	HORSE CAVE RECONDUCTORING	165,068		
2	OUTDOOR LIGHTING 366	164,236		
3	PC INFRASTRUCTURE - KU	163,861		
4	SYS ENHAN-EXIST CUST-NORTON	163,448		
5	REP DEF EQUIP OH NORTON	161,820		
6	NEW BUS SUBD-OVHD-RICHMOND	160,925		
7	TOOLS AND EQUIPMENT 315	160,346		
8	OUTDOOR LIGHTING 256	159,966		
9	HORSE CAVE INDUSTRIAL SUBSTATION DISTR WORK	159,632		
10	POLE REP/REPL 766	152,120		
11	LEXINGTON STORM RESTORATION	152,051		
12	LONDON STORM RESTORATION	151,373		
13	ADD REGULATORS AT ANDOVER	146,257		
14	PURCHASE TRANSFORMERS 156	142,326		
15	NEW BUSINESS IND 216	140,483		
16	KU DOIT MOB COMP FOR GIS	140,064		
17	REP REPL DEF ST LIGHTS 426	139,533		
18	PURCHASE TRANSFORMERS 216	139,263		
19	SCM REPLACE BREAKERS	138,591		
20	MOBILE GIS LICENSES	138,097		
21	RELIABILITY RECONSTRUCTION 416 OH	137,552		
22	SHELBYVILLE STORM RESTORATION	135,991		
23	REP/REPL DEF POL'S 216	135,264		
24	TROUBLE ORDERS 315	135,092		
25	TROUBLE ORDERS 308	134,605		
26	KU SUBS RTU INSTALLS FOR EKPC METERING	133,588		
27	REP.REPL DEF POL'S 156	132,854		
28	NEW BUS SUBD-UG-LONDON	129,864		
29	TOOLS AND EQUIPMENT 156	129,518		
30	TROUBLE ORDERS 236	128,886		
31	LON FAWN VALLEY ESTATES SUBDIVISION UG SYSTEM	127,523		
32	PUB WORKS RELC OH RICHMOND	125,726		
33	DIST RELIABILITY 416	124,286		
34	CARLISLE 12KV CONVERSION	118,713		
35	EARLINGTON - STORM RESTORATION	118,428		
36	NEW BUS IND-OVHD-ETOWN	118,006		
37	NEW BUS IND-OVHD-SHELBYVILLE	115,316		
38	SMALLWORLD CST 4.1 UPGRADE	113,449		
39	REP DEF EQUIP-UG-RICHMOND	112,691		
40	INST CAP/REG/RECL-ETOWN	112,183		
41	KY 519 HIGHWAY RELOCATION	110,719		
42	LEXINGTON AREA IMPROVEMENTS	108,407		
43	TOTAL	1,071,388,626		

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	NEW BUS SUBD-UG-PINEVILLE	107,560		
2	NEW BUS SUBD-OVHD-DANVILLE	106,383		
3	NEW BUS SUBD-OVHD-SHELBYVILLE	106,340		
4	RELOCATIONS CUST REQUEST 366	104,747		
5	KU IMPLEMENT GIS REDLINING	103,715		
6	RELIABILITY RECONSTRUCTION 236 OH	102,388		
7	INST CAP/REG/RECL-DANVILLE	100,577		
8	DISTRIBUTION MINOR	4,491,339		
9				
10	COMMON MAJOR			
11	SAP FOR CCS - KU	5,924,205		
12	CCS - TECHNOLOGY KU	3,804,588		
13	SECOND DATA CENTER	2,337,067		
14	CCS- CUSTOMER SERVICE KU	1,680,339		
15	LAND MOBILE RADIO SYSTEM BUILDOUT	1,477,391		
16	EAST KY SONET FIBER BACKBONE ROUTE	779,146		
17	POWERPLANT SOFTWARE IMPLEMENTATION	550,039		
18	WESTERN KY SONET RING UPGRADE TO OC-48	468,856		
19	WESTERN KY MICROWAVE A/D CONVERSION & RECONFIG-PHASE 2	465,233		
20	SERVER REPLACEMENT - KU	456,797		
21	LAND MOBILE RADIO NETWORK UPGRADE DESIGN & PROCUREMENT	376,341		
22	TIER C ROTATION OF DESKTOPS AND LAPTOPS KU	308,890		
23	UPGRADE LEXINGTON MAN TO OC-48 USING NEXT GENERATION SONET	303,831		
24	CCS- DEVELOPMENT KU	250,421		
25	VOICE MAIL REPLACEMENT PROJECT	230,741		
26	ORACLE FINANCIAL/MATERIAL APPLICATIONS 11.5 10.2 UPGRADE	200,441		
27	PEOPLESOFT 8.9 UPGRADE	193,992		
28	BLADELOGIC IMPLEMENTATION - KU	176,824		
29	KU CARPET AND TILE REPLACEMENT	145,397		
30	NEXTGEN SONET AT MICROWAVE SITES	141,584		
31	HVAC AUTOMATION KU - ONE QUALITY	139,194		
32	STORAGE NETWORK EXPANSION - KU	136,034		
33	EXTEND FIBER TO GREEN RIVER	135,529		
34	GIGABIT ETHERNET REPLACEMENT PROJECT (GRUP)	133,748		
35	NMARKET - PJM IMPLEMENTATION	133,035		
36	KU - CERUS II	129,431		
37	AVAYA SYSTEM UPGRADES	123,442		
38	ORACLE MOBILE CHAIN	119,964		
39	PC INFRASTRUCTURE	119,930		
40	BACKUP STRATEGY EXPANSION PROJECT - KU	119,641		
41	CCS - KU BUSINESS INTELLIGENCE	114,683		
42	CORE NETWORK INFRASTRUCTURE	113,918		
43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	CCS - CHANGE MGMT KU	106,568		
2	NAS NETWORK ATTACHED STORAGE	103,333		
3	TAPE LIBRARY REPLACEMENT	100,615		
4	COMMON MINOR	2,510,515		
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43	TOTAL	1,071,388,626		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (credit) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,835,419,215	1,835,419,215		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	115,064,736	115,064,736		
4	(403.1) Depreciation Expense for Asset Retirement Costs	199,429	199,429		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	51,952	51,952		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	1,394,696	1,394,696		
9	Fuel Stock	798,145	798,145		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	117,508,958	117,508,958		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	33,239,093	33,239,093		
13	Cost of Removal	6,230,725	6,230,725		
14	Salvage (Credit)	-2,125,475	-2,125,475		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	41,592,293	41,592,293		
16	Other Debit or Cr. Items (Describe, details in footnote):	3,299,052	3,299,052		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,914,631,932	1,914,631,932		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	926,231,540	926,231,540		
21	Nuclear Production				
22	Hydraulic Production-Conventional	8,243,695	8,243,695		
23	Hydraulic Production-Pumped Storage				
24	Other Production	116,527,426	116,527,426		
25	Transmission	320,987,676	320,987,676		
26	Distribution	494,048,936	494,048,936		
27	Regional Transmission and Market Operation				
28	General	48,592,659	48,592,659		
29	TOTAL (Enter Total of lines 20 thru 28)	1,914,631,932	1,914,631,932		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c			
Depreciation reserve for assets sold/retired not fully accrued		\$	1,646,888
Accrual for Cost of Removal and ARO Parent assets (FERC 254 and 403)			(252,192)

Total		\$	1,394,696

Schedule Page: 219 Line No.: 16 Column: c			
Customer payments related to construction projects.			

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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2007/Q4
MATERIALS AND SUPPLIES					
1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.					
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	64,221,479	41,770,628	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	16,329,989	17,778,066	Electric	
8	Transmission Plant (Estimated)	2,793,056	2,910,358	Electric	
9	Distribution Plant (Estimated)	6,828,384	6,681,602	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)				
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	25,951,429	27,370,026		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	6,386,539	6,454,808	Electric	
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	96,559,447	75,595,462		

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Allowances (Accounts 158.1 and 158.2)					
1. Report below the particulars (details) called for concerning allowances.					
2. Report all acquisitions of allowances at cost.					
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.					
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).					
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.					
Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2008	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	132,805.00	1,670,538	83,343.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Share of OMU's unused				
10	Allowances	2,736.00	1,326,960		
11					
12					
13					
14					
15	Total	2,736.00	1,326,960		
16					
17	Relinquished During Year:				
18	Charges to Account 509	120,421.00	2,614,525		
19	Other:				
20	Charges to Account 549	4.00	79		
21	Cost of Sales/Transfers:				
22	Adjustment to final 2006	736.00			
23					
24					
25					
26					
27					
28	Total	736.00			
29	Balance-End of Year	14,380.00	382,894	83,343.00	
30					
31	Sales:				
32	Net Sales Proceeds (Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
Allowances Withheld (Acct 158.2)					
36	Balance-Beginning of Year	1,109.00		1,109.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	1,109.00			
40	Balance-End of Year			1,109.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	1,109.00	492,884		
45	Gains				
46	Losses				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4			
Allowances (Accounts 158.1 and 158.2) (Continued)								
6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.								
7. Report on Lines 8-14 the names of vendors/transferees of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).								
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.								
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.								
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.								
2009		2010		Future Years		Totals	Line No.	
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)		Amt. (m)
83,343.00		77,535.00		1,938,375.00		2,315,401.00	1,670,538	1
								2
								3
				155,070.00		155,070.00		4
								5
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								7
								8
								9
						2,736.00	1,326,960	10
								11
								12
								13
								14
						2,736.00	1,326,960	15
								16
								17
						120,421.00	2,614,525	18
								19
						4.00	79	20
								21
						736.00		22
								23
								24
								25
								26
								27
						736.00		28
83,343.00		77,535.00		2,093,445.00		2,352,046.00	382,894	29
								30
								31
								32
								33
								34
								35
1,109.00		1,106.50		52,005.50		56,439.00		36
				4,426.00		4,426.00		37
								38
				1,106.50		2,215.50		39
1,109.00		1,106.50		55,325.00		58,649.50		40
								41
								42
								43
				1,106.50	213,968	2,215.50	706,852	44
								45
								46

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Ice Storm (Jul-04 to Jun-09)	1,978,992		593	781,604	1,187,388
2	Management Audit Expense	81,895		930.2	81,995	
3	SFAS 158 - Pension and Postretirement	65,908,754	5,309,091	182/228.3	43,073,215	27,744,630
4	SFAS 109 - Income Taxes	5,334,543	2,419,509	282/283	1,206,814	6,547,298
5	Asset Retirement Obligation - Electric	22,015,065	2,156,705	407.4/411	55,503	24,116,268
6	MISO Exit Fee	20,097,494				20,097,494
7	FERC Jurisdictional Pension Expenses		2,472,173			2,472,173
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44	TOTAL	115,016,843	12,357,539		45,209,131	82,165,251

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MISCELLANEOUS DEFERRED DEBITS (Account 186)							
<p>1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a) 3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.</p>							
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	OMU Emission Allowances	1,239,660	1,333,900	158,555	1,326,960	1,246,600	
2							
3	Environmental Cost Recovery	9,758,476	117,815,188	440-445	116,908,967	10,664,697	
4							
5	Financing Expense	71,818	2,359,541	181	2,431,359		
6							
7	Long-Term Derivative Asset	104,951		221,427	104,951		
8							
9	KY - Fuel Adjustment Clause	12,612,000	33,551,000	440-445	29,361,000	16,802,000	
10							
11	VA - Fuel Cost Component	3,459,770		440-445	2,931,514	528,256	
12							
13	Merger Surcredit Settlement						
14	(Jul-98 to Jun-08)	1,604,837	196,000	440-445	1,108,892	691,945	
15							
16	Regulatory Expenses	227,244		928	227,244		
17							
18	Key Man Life Insurance	34,987,025	2,590,236	421,426	707,185	36,870,076	
19							
20	Customer Credit A/R		2,602,550	142	2,223,916	378,634	
21							
22	Cellular Antenna Billable Chgs		37,091			37,091	
23							
24	Carrollton Sale/Leaseback						
25	(Aug-06 to Jul-23)		87,022	931	18,272	68,750	
26							
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47	Misc. Work in Progress	21,510				-11,970	
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)						
49	TOTAL	64,087,291				67,276,079	

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ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2	Pensions	-12,360,564		-5,904,217
3	Other Post Retirement & Employment Benefits	25,756,500		25,472,518
4	SFAS 109 Regulatory Tax Adjustments	12,288,231		11,006,692
5	SFAS 133	489,133		-283,682
6	SFAS 143	11,322,921		12,886,998
7	Other - See Notes for Detail	8,507,816		7,575,207
8	TOTAL Electric (Enter Total of lines 2 thru 7)	46,004,037		50,753,516
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17	Other (Specify)			
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	46,004,037		50,753,516
Notes				
		Bal. at Beg. of Year	Bal. at End of Year	
	ECR & VA Fuel Clause	(1,288,033)	(147,674)	
	Workers' Compensation	1,377,831	1,205,324	
	Vacation Pay	1,571,069	1,632,212	
	State Tax Adjustment	2,709,240	765,612	
	Bad Debt Reserve	708,054	754,352	
	Demand Side Management	744,784	702,013	
	Customer Advances	767,445	1,090,498	
	OMU Excess Amortization	828,449	751,476	
	Other	1,088,977	821,394	
		-----	-----	
	Total Electric Line 7	8,507,816	7,575,207	
		=====	=====	
	Balance of Beginning of Year	46,004,037		
	Less Debits to:			
	Acct 410.1	4,766,158		
	Acct 410.2	97,497		
	Other Balance Sheet Accounts	1,281,539		
	Plus Credits to:			
	Acct 411.1	10,390,370		
	Acct 411.2	504,303		

	Balance at End of Year	50,753,516		
		=====		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CAPITAL STOCKS (Account 201 and 204)				
<p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>				
Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock			
2	Without Par Value	80,000,000		
3	Total Common	80,000,000		
4				
5	Preferred Stock, Cumulative			
6	4.75% series, 6.53% series			
7	\$100 Stated Value	5,300,000	100.00	
8				
9				
10				
11				
12	Note:			
13	There is no Call Price for Common Stock,			
14	Without Par Value			
15				
16	The Common Stock of Kentucky Utilities Company			
17	is owned by its parent company,			
18	E.ON U.S. LLC			
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>	
CAPITAL STOCKS (Account 201 and 204) (Continued)						
<p>3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.</p> <p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> <p>Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.</p>						
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
37,817,878	308,139,978					1
37,817,878	308,139,978					2
						3
						4
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
OTHER PAID-IN CAPITAL (Accounts 208-211, Inc.)					
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation. (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related. (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related. (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.</p>					
Line No.	Item (a)	Amount (b)			
1					
2	Account 211:				
3	Contributed Capital - Misc. Balance January 1, 2007	15,000,000			
4	Contributed Capital September 25, 2007	55,000,000			
5	Contributed Capital December 21, 2007	20,000,000			
6					
7					
8					
9					
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40	TOTAL	90,000,000			

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
CAPITAL STOCK EXPENSE (Account 214)			
1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	Expenses on Common Stock	321,289	
2			
3			
4			
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21			
22	TOTAL	321,289	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)				
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>				
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt Issued (b)	Total expense, Premium or Discount (c)	
1	ACCOUNT 221:			
2	First Mortgage Bonds			
3	Series P, due 5/15/2007, 7.92% (defeased 02/23/2007) (3)	53,000,000	673,025	
4				
5	Pollution Control Bonds			
6	Series 10, due 11/01/2024, Variable (defeased 02/23/2007) (3)	54,000,000	614,989	
7	Mercer County 2000 Series A, due 5/01/2023, Variable	12,900,000	426,389	
8	Carroll County 2002 Series A, due 2/01/2032, Variable	20,930,000	120,138	
9	Carroll County 2002 Series B, due 2/01/2032, Variable	2,400,000	83,078	
10	Muhlenberg County 2002 Series A, due 2/01/2032, Variable	2,400,000	93,078	
11	Mercer County 2002 Series A, due 2/01/2032, Variable	7,400,000	92,678	
12	Carroll County 2002 Series C, due 10/01/2032, Variable	96,000,000	2,128,245	
13	Carroll County 2004 Series A, due 10/01/2034, Variable	50,000,000	1,200,191	
14	Carroll County 2005 Series A, due 06/01/2035, Variable	13,266,950	526,451	
15	Carroll County 2005 Series B, due 06/01/2035, Variable	13,266,950	529,956	
16	Carroll County 2006 Series A, due 06/01/2036, Variable	16,693,620	615,642	
17	Carroll County 2006 Series C, due 06/01/2036, Variable	16,693,620	604,425	
18	Carroll County 2006 Series B, due 10/01/2034, Variable (3)	54,000,000	1,044,487	
19	Carroll County 2007 Series A, due 02/01/2026, Variable (4)	17,875,000	416,203	
20	Trimble County 2007 Series A, due 03/01/2037, Variable (4)	8,927,000	319,990	
21	Long-Term Debt Marked-to-Market			
22	Interest Rate Swaps (2) (3)			
23	TOTAL ACCOUNT 221	439,753,140	9,488,965	
24				
25	ACCOUNT 223:			
26	Notes Payable to Fidelia 4.55%, due 04/30/2013 - unsecured	100,000,000		
27	Notes Payable to Fidelia 5.31%, due 08/15/2013 - unsecured	75,000,000		
28	Notes Payable to Fidelia 4.24%, due 11/24/2010 - unsecured	33,000,000		
29	Notes Payable to Fidelia 4.39%, due 01/16/2012 - unsecured	50,000,000		
30	Notes Payable to Fidelia 4.735%, due 07/08/2015 - unsecured	50,000,000		
31	Notes Payable to Fidelia 5.36%, due 12/21/2015 - unsecured	75,000,000		
32	Notes Payable to Fidelia 6.33%, due 06/23/2036 - unsecured	50,000,000		
33	TOTAL	1,370,753,140	9,488,965	

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2007/Q4	
LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)						
<p>10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.</p> <p>11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.</p> <p>12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.</p> <p>13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.</p> <p>14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>						
Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
05/15/1992	02/23/2007	05/15/1992	02/23/2007		1,574,100	3
						4
						5
11/23/1994	02/23/2007	11/23/1994	02/23/2007		279,445	6
05/19/2000	05/01/2023	05/19/2000	05/01/2023	12,900,000	509,228	7
05/23/2002	02/01/2032	05/23/2002	02/01/2032	20,930,000	779,295	8
05/23/2002	02/01/2032	05/23/2002	02/01/2032	2,400,000	89,360	9
05/23/2002	02/01/2032	05/23/2002	02/01/2032	2,400,000	89,360	10
05/23/2002	02/01/2032	05/23/2002	02/01/2032	7,400,000	275,527	11
10/03/2002	10/01/2032	10/03/2002	10/01/2032	96,000,000	3,775,995	12
10/20/2004	10/01/2034	10/20/2004	10/01/2034	50,000,000	1,939,479	13
07/07/2005	06/01/2035	07/07/2005	06/01/2035	13,266,950	508,728	14
11/17/2005	06/01/2035	11/17/2005	06/01/2035	13,266,950	501,025	15
07/20/2006	06/01/2036	07/20/2006	06/01/2036	16,693,620	655,062	16
12/07/2006	06/01/2036	12/07/2006	06/01/2036	16,693,620	654,527	17
02/23/2007	10/01/2034	02/23/2007	10/01/2034	54,000,000	1,794,630	18
5/24/2007	02/01/2026	05/24/2007	02/01/2026	17,875,000	445,251	19
5/24/2007	03/01/2037	05/24/2007	03/01/2037	8,927,000	222,270	20
					-328,589	21
					-86,856	22
				332,753,140	13,677,837	23
						24
						25
04/30/2003	04/30/2013			100,000,000	4,550,000	26
08/15/2003	08/15/2013			75,000,000	3,982,500	27
11/24/2003	11/24/2010			33,000,000	1,399,200	28
01/15/2004	01/16/2012			50,000,000	2,195,000	29
07/08/2005	07/08/2015			50,000,000	2,367,500	30
12/19/2005	12/21/2015			75,000,000	4,020,000	31
06/23/2006	06/23/2036			50,000,000	3,165,000	32
				1,263,753,140	48,500,483	33

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
LONG-TERM DEBT (Account 221, 222, 223 and 224)					
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>					
Line No.	Class and Series of Obligation, Coupon Rate (For new Issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)		
1	Notes Payable to Fidelity 5.675%, due 10/25/2016 - unsecured	50,000,000			
2	Notes Payable to Fidelity 5.69%, due 02/07/2022 - unsecured (3) (5)	53,000,000			
3	Notes Payable to Fidelity 5.86%, due 03/30/2037 - unsecured (5)	75,000,000			
4	Notes Payable to Fidelity 5.98%, due 06/20/2017 - unsecured (5)	50,000,000			
5	Notes Payable to Fidelity 5.96%, due 09/14/2028 - unsecured (5)	100,000,000			
6	Notes Payable to Fidelity 5.71%, due 10/25/2019 - unsecured (5)	70,000,000			
7	Notes Payable to Fidelity 5.45%, due 12/19/2014 - unsecured (5)	100,000,000			
8					
9					
10	TOTAL ACCOUNT 223	931,000,000			
11					
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24					
25					
26					
27					
28					
29					
30					
31					
32					
33	TOTAL	1,370,753,140	9,488,965		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)						
<p>10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.</p> <p>11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.</p> <p>12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.</p> <p>13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.</p> <p>14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>						
Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
10/25/2006	10/25/2016			50,000,000	2,837,500	1
02/07/2007	02/07/2022			53,000,000	2,714,130	2
03/30/2007	03/30/2037			75,000,000	3,308,458	3
06/20/2007	06/20/2017			50,000,000	1,596,361	4
09/14/2007	09/14/2028			100,000,000	1,771,444	5
10/25/2007	10/25/2019			70,000,000	743,886	6
12/20/2007	12/19/2014			100,000,000	181,867	7
						8
						9
				931,000,000	34,822,646	10
						11
						12
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						32
				1,263,753,140	48,500,483	33

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Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 1 Column: a

Notes to FERC Form No.1 page 256:

(1) Per instruction 9 concerning the treatment of unamortized debt expense, premium or discount - Debt premium and expenses are being amortized over the lives of the related issues.

(2) As of December 31, 2007, the Company had no interest-rate swap agreements in effect.

(3) In February 2007, Kentucky Utilities Company (KU) completed a series of financial transactions impacting its secured debt. The \$54 million Pollution Control Series 10 bond was refinanced and replaced with a new unsecured tax-exempt bond of the same amount maturing in 2034. The \$53 million Series P bond was defeased and replaced with an intercompany loan totaling \$53 million from Fidelia Corporation.

KU had no outstanding interest rate swap agreements at December 31, 2007. The interest rate swap was terminated in February 2007, when the underlying debt was defeased. In conjunction with the defeasance, the Company terminated the related interest rate swap. Fidelia Corporation also agreed to eliminate the second lien on its two secured loans.

All of KU's first mortgage bonds were released and terminated in February 2007. Only the tax-exempt pollution control revenue bonds issued by the counties remain. Pursuant to the terms of the remaining tax-exempt bonds, the first mortgage bonds were cancelled and the underlying lien on substantially all of KU's assets was released following the completion of these steps. KU no longer has any secured debt and is no longer subject to periodic reporting under the Securities Exchange Act of 1934.

(4) In May 2007, KU issued two new variable rate Pollution Control bonds: County of Carroll 2007 Series A, due February 1, 2026 for \$17,875,000 and County of Trimble 2007 Series A, due March 1, 2037 for \$8,927,000.

(5) During 2007, the Company executed six additional long-term loans with Fidelia Corporation:

Amount	Interest Rate	Date Issued	Maturity Date
\$ 53,000,000	5.69%	02/07/2007	02/07/2022
\$ 75,000,000	5.86%	03/30/2007	03/30/2037
\$ 50,000,000	5.98%	06/20/2007	06/20/2017
\$100,000,000	5.96%	09/14/2007	09/14/2028
\$ 70,000,000	5.71%	10/25/2007	10/25/2019
\$100,000,000	5.45%	12/20/2007	12/19/2014

Schedule Page: 256 Line No.: 23 Column: i

Total Account 427000 - 427199	\$ 14,006,426
Total Account 427202	(328,589)
Subtotal	13,677,837
Total Account 430003	34,822,646
Total	\$ 48,500,483

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p>				
Line No.	Particulars (Details) (a)	Amount (b)		
1	Net Income for the Year (Page 117)	166,962,574		
2				
3				
4	Taxable Income Not Reported on Books			
5	See Footnotes	2,130,470		
6				
7				
8				
9	Deductions Recorded on Books Not Deducted for Return			
10	See Footnotes	119,354,667		
11				
12				
13				
14	Income Recorded on Books Not Included in Return			
15	See Footnotes	22,807,531		
16				
17				
18				
19	Deductions on Return Not Charged Against Book Income			
20	See Footnotes	46,855,602		
21				
22				
23				
24				
25				
26				
27	Federal Tax Net Income	218,784,578		
28	Show Computation of Tax:			
29	35% Rounded	76,574,602		
30	Add: Adjustments of Prior Years' Taxes to Actual and Other	-6,156,872		
31	Add: Investment Tax Credits & Other	-42,566,647		
32	Total	27,851,083		
33				
34				
35				
36				
37				
38				
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44				

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 5 Column: b

Contributions in Aid of Construction	1,300,000
Customer Advances for Construction	830,470

	2,130,470
	=====

Schedule Page: 261 Line No.: 10 Column: b

Federal Income Taxes:	
Utility Operating Income	27,762,416
Other Income and Deductions	88,667
Pensions	3,853,558
SFAS 106 (Postretirement)	509,094
Investment Tax Credit	42,566,647
Capitalized Interest	29,953,000
Loss on Reacquired Debt-Amortization	153,525
OMU Excess Amortization	1,280,704
Over/Under Collections - VA	2,931,514
Amortization of Regulatory Expenses	1,832,081
MISO Exit Fees	3,931,171
Environmental Assessment	1,000,000
Storm Damages	791,604
Non-Deductible Expenses	457,920
Penalties	1,000,000
Other	1,242,766

	119,354,667
	=====

Schedule Page: 261 Line No.: 15 Column: b

Equity in Subsidiary Earnings - EEI	17,120,000
Fuel Adjustment Clause KY & VA	5,096,221
Amortization of Investment Tax Credit	591,310

	22,807,531
	=====

Schedule Page: 261 Line No.: 20 Column: b

Tax over Book Depreciation, Net	6,515,000
Repair Allowance	955,807
Cost of Removal	7,111,000
Air Emission Fees	905,944
Merger Surcredit	691,944
SFAS 112 (Post Employment)	900,521
Current State Income Tax	4,392,271
Provision for Deferred Income Taxes	6,093,859
EEI Investment	4,958,781
APUDC	2,127,705
Life Insurance	1,883,051
IRC 199 Manufacturing Deduction	8,032,401
Other	2,287,318

	46,855,602
	=====

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR						
<p>1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>						
Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Included in Account 165) (c)			
1	Federal:					
2	Income	-11,303,187		27,053,661	20,848,254	
3	FICA	436,200		5,198,228	5,137,011	
4	FIN 48			456,000		
5						
6	Kentucky:					
7	Income	4,945,220		12,850,753	16,692,123	
8	Public Service Commission		832,348	1,727,808	1,790,516	
9	Sales & Use	244,274		3,266,314	2,892,280	
10	Auto License			139,615	139,615	
11						
12	Federal & Kentucky:					
13	Unemployment Insurance	31,908		99,170	94,311	
14						
15	Kentucky & Local:					
16	Property Taxes	11,128,630		10,984,271	15,657,047	
17	Miscellaneous			18,793		
18						
19						
20						
21						
22						
23						
24						
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36						
37						
38						
39						
40						
41	TOTAL	5,483,045	832,348	61,794,411	63,251,157	

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot-note. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Report in columns (l) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p>						
BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 185) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-5,097,780		27,762,416			-708,755	2
497,417		5,717,315			-519,087	3
456,000					456,000	4
						5
						6
1,103,850		13,060,218			-209,465	7
	895,258	1,727,606				8
618,308					3,266,314	9
					139,615	10
						11
						12
36,767		179,964			-80,794	13
						14
						15
6,455,854		10,864,407			119,864	16
18,793		-50,215			69,008	17
						18
						19
						20
						21
						22
						23
						24
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						39
						40
4,089,209	895,258	59,261,711			2,532,700	41

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Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 1 Column: a

	col I	Page 117 Other Inc & Deductions	Other Accounts
Segregation of Other	Other	408.2 - 409.2	
Federal:			
Income	(708,755)	88,667	(797,422)
FICA	(519,087)		(519,087)
FIN 48	456,000		456,000
Kentucky:			
Income	(209,465)	(183,585)	(25,880)
PSC	-		-
6% Use	3,266,314		3,266,314
Auto License	139,615		139,615
Federal & Kentucky:			
Unemployment Ins	(80,794)		(80,794)
Kentucky & Local:			
Property Taxes	119,864	11,004	108,860
Miscellaneous	69,008		69,008
Total	2,532,700	(83,914)	2,616,614

Reconciliation to page 114, line 14:

Other:	
Electric Total	59,261,711
Less Federal	(27,762,416)
Less State	(13,060,218)

	18,439,077

Schedule Page: 262 Line No.: 2 Column: g

The balance of (\$5,097,780) for Federal income taxes accrued at 12/31/07 reflects an overpayment of Federal income taxes.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)							
Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.							
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	27,461			420	27,461	
6	8%	996,314			420	563,849	
7	15%	12,000,000	411.4	42,566,647			
8	TOTAL	13,023,775		42,566,647		591,310	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
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48							

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No.
					1
					2
					3
					4
	25 years				5
432,465	25 years				6
54,566,647	37 years				7
54,999,112					8
					9
					10
					11
					12
					13
					14
					15
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					17
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Brown CT Long Term Service					
2	Agreement	3,018,272	107,232,553	1,533,787	6,153,740	7,638,225
3						
4	KU-EKPC Settlement		566		1,529,440	1,529,440
5						
6	University of Kentucky Center for					
7	Applied Energy Research Grant	220,568	232,426.1	250,000	29,432	
8						
9	Demand Side Management -					
10	Refundable Costs	1,914,614	186	1,084,713	974,763	1,804,664
11						
12	OMU - Excess Bond Funds	2,129,688	232,253,555	10,282,951	8,153,263	
13						
14	Other Def Credits - OMU Excess					
15	(Jan-04 to Nov-19)		253,555	121,583	2,053,398	1,931,815
16						
17	Deferred Compensation		232,926		451,707	451,707
18						
19	Def. Rent Payable					
20	(Aug-06 to Jul-23)		186,931	1,471	13,493	12,022
21						
22	Carrollton Sale/Leaseback					
23	(Aug-06 to Jul-23)		421	6,207	74,478	68,271
24						
25						
26						
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30						
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44						
45						
46						
47	TOTAL	7,283,142		13,280,712	19,433,714	13,436,144

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	291,427,195	32,059,651	34,034,632	
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	291,427,195	32,059,651	34,034,632	
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	291,427,195	32,059,651	34,034,632	
10	Classification of TOTAL				
11	Federal Income Tax	252,507,190	26,305,695	28,887,881	
12	State Income Tax	38,920,005	5,753,956	5,146,751	
13	Local Income Tax				
NOTES					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)							
3. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
		182	3,695,808	182	5,750,709	291,507,115	1
							2
							3
			3,695,808		5,750,709	291,507,115	4
							5
							6
							7
			3,695,808		5,750,709	291,507,115	8
							9
							10
			3,228,133		5,334,850	252,031,721	11
			467,675		415,858	39,475,394	12
							13
NOTES (Continued)							

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3	OMU & Other Emission Allowance	481,338	649,839	498,194	
4	Loss on Reacquired Debt	4,017,277		59,721	
5	SFAS 143	7,917,103	1,612,590		
6	FAC Under-Recovery	8,759,932	1,982,430		
7	MISO Exit Fees	7,818,030		2,039,086	
8	Other	3,410,393	-113,551	783,343	
9	TOTAL Electric (Total of lines 3 thru 8)	32,404,073	4,131,308	3,380,344	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18	Other	6,320,585			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	38,724,658	4,131,308	3,380,344	
20	Classification of TOTAL				
21	Federal Income Tax	32,691,702	3,476,575	2,858,954	
22	State Income Tax	6,032,956	654,733	521,390	
23	Local Income Tax				
NOTES					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)							
3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.							
4. Use footnotes as required.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
						632,983	3
						3,957,556	4
						9,529,693	5
						10,742,362	6
						5,778,944	7
		182	383,190	182	768,268	2,898,577	8
			383,190		768,268	33,540,115	9
							10
							11
							12
							13
							14
							15
							16
							17
1,928,966						8,249,551	18
1,928,966			383,190		768,268	41,789,666	19
							20
1,631,437			375,084		752,014	35,317,690	21
297,529			8,106		16,254	6,471,976	22
							23
NOTES (Continued)							

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 8 Column: b

Beginning Balance:	
Regulatory Expenses	712,679
Storm Damages	769,828
SFAS 109 Regulatory Tax Adjustments	1,694,130
Other	233,756

	3,410,393
	=====

Schedule Page: 276 Line No.: 8 Column: c

Debit Change Account 410.1:	
Various	(113,551)
	=====

Schedule Page: 276 Line No.: 8 Column: d

Credit Change Account 411.1:	
Regulatory Expenses	88,398
Storm Damages	307,934
Other	387,011

	783,343
	=====

Schedule Page: 276 Line No.: 8 Column: h

Debit Adjustments:	
SFAS 109 Regulatory Tax Adjustments	383,190
	=====

Schedule Page: 276 Line No.: 8 Column: j

Credit Adjustments:	
SFAS 109 Regulatory Tax Adjustments	768,268
	=====

Schedule Page: 276 Line No.: 8 Column: k

Ending Balance:	
Regulatory Expenses	624,281
Storm Damages	461,894
SFAS 109 Regulatory Tax Adjustments	2,079,208
Other	(266,806)

	2,898,577
	=====

Schedule Page: 276 Line No.: 18 Column: b

Beginning Balance:	
EI Investment	6,320,585
	=====

Schedule Page: 276 Line No.: 18 Column: e

Debit Change Account 410.2:	
EI Investment	1,928,966
	=====

Schedule Page: 276 Line No.: 18 Column: k

Ending Balance:	
EI Investment	8,249,551
	=====

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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
OTHER REGULATORY LIABILITIES (Account 254)						
<p>1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.</p> <p>2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.</p> <p>3. For Regulatory Liabilities being amortized, show period of amortization.</p>						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Spare Parts	1,165,344	184.6/502-514	73,994	181,046	1,272,406
2	SFAS 109 - Income Taxes	31,544,968	190/282	7,546,068	5,037,324	29,036,206
3	Asset Retirement Obligation - Electric	1,918,669			252,192	2,170,861
4	MISO Schedule 10 Charges	1,310,392			3,031,171	5,241,563
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39						
40						
41	TOTAL	35,939,373		7,620,070	9,401,733	37,721,036

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC OPERATING REVENUES (Account 400)				
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p>				
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	
1	Sales of Electricity			
2	(440) Residential Sales	430,071,777	380,586,936	
3	(442) Commercial and Industrial Sales			
4	Small (or Comm.) (See Instr. 4)	293,558,427	261,749,380	
5	Large (or Ind.) (See Instr. 4)	303,223,282	285,561,727	
6	(444) Public Street and Highway Lighting	9,371,014	8,539,350	
7	(445) Other Sales to Public Authorities	88,231,412	80,477,305	
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales			
10	TOTAL Sales to Ultimate Consumers	1,124,455,912	1,016,914,698	
11	(447) Sales for Resale	140,832,475	172,722,121	
12	TOTAL Sales of Electricity	1,265,288,387	1,189,636,819	
13	(Less) (449.1) Provision for Rate Refunds			
14	TOTAL Revenues Net of Prov. for Refunds	1,265,288,387	1,189,636,819	
15	Other Operating Revenues			
16	(450) Forfeited Discounts			
17	(451) Miscellaneous Service Revenues	1,307,911	1,391,724	
18	(453) Sales of Water and Water Power			
19	(454) Rent from Electric Property	2,123,576	2,729,645	
20	(455) Interdepartmental Rents			
21	(456) Other Electric Revenues	-2,945,811	16,261,096	
22	(456.1) Revenues from Transmission of Electricity of Others	6,774,836		
23	(457.1) Regional Control Service Revenues			
24	(457.2) Miscellaneous Revenues			
25				
26	TOTAL Other Operating Revenues	7,260,512	20,382,465	
27	TOTAL Electric Operating Revenues	1,272,548,899	1,210,019,284	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)					
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.					
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.					
8. Include unmetered sales. Provide details of such Sales in a footnote.					
MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH			Line
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	No.	
					1
6,846,775	6,312,756	439,088	434,993		2
					3
4,773,590	4,456,951	83,047	81,452		4
6,273,138	6,318,648	1,946	1,979		5
56,455	54,521	1,503	1,512		6
1,634,506	1,553,697	7,948	7,971		7
					8
					9
19,584,464	18,696,573	533,512	527,907		10
3,640,408	4,451,582	51	41		11
23,224,872	23,148,155	533,563	527,948		12
					13
23,224,872	23,148,155	533,563	527,948		14
Line 12, column (b) includes \$ 19,473,707 of unbilled revenues.					
Line 12, column (d) includes 17,924 MWH relating to unbilled revenues					

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 5 Column: b

Large category includes Industrial Lighting and Mine Power accounts.

Industrial Sales	\$258,005,472
Mine Power	\$ 45,217,810
Total Large (or Industrial)	\$303,223,282

Schedule Page: 300 Line No.: 5 Column: d

Large category includes Industrial Lighting and Mine Power accounts.

Industrial Sales	5,434,943
Mine Power	838,195
Total Large (or Industrial)	6,273,138 MWH

Schedule Page: 300 Line No.: 7 Column: b

Other category includes Other Sales to Public Authorities and Municipal Pumping accounts.

Other Sales to Public Authorities	\$83,771,460
Municipal Pumping	\$ 4,459,952
Total Other Sales to Public Authorities	\$88,231,412

Schedule Page: 300 Line No.: 7 Column: d

Other category includes Other Sales to Public Authorities and Municipal Pumping accounts.

Other Sales to Public Authorities	1,556,493
Municipal Pumping	78,013
Total Other Sales to Public Authorities	1,634,506 MWH

Schedule Page: 300 Line No.: 21 Column: b

As a result of the Company exiting the MISO, a reclassification of the MISO administrative revenues from Other Operating Revenues to a Regulatory Liability was required.

Schedule Page: 300 Line No.: 1 Column: \$

This value contains unbilled revenue of \$17,152,000 and accrued revenues of \$2,321,707. The accrued revenues represent the following:

Energy Revenue Accrual	\$(2,931,514)
FAC Accrual	\$ 4,190,000
BCR Accrual	\$ 906,221
MSR Accrual	\$ 196,000
VDT Accrual	\$ (39,000)
Total Accrual	\$ 2,321,707

Schedule Page: 300 Line No.: 1 Column: MWH

Unbilled revenues related to 17,924 MWH represents the net change of unbilled MWH from the previous period and could be positive or negative.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311. 2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading. 3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers. 4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly). 5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto. 6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 440					
2	Residential Service - KY	6,396,345	391,490,971	412,332	15,513	0.0612
3	Net Metering Service RS - KY	13	879	1	13,000	0.0676
4	Outdoor Lighting - KY	25,269	3,587,786	41,666	606	0.1420
5	Residential Service - TN	129	1,963	4	32,250	0.0152
6	Full Electric Service - TN	15	323	1	15,000	0.0215
7	Outdoor Lighting - TN	3	144	3	1,000	0.0480
8	Residential Service - VA	409,272	26,400,395	25,054	16,336	0.0645
9	Outdoor Lighting - VA	3,749	544,158	4,690	799	0.1451
10	Duplicate Customers			-44,683		
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39	Unbilled & Other Accruals	11,980	8,045,158			0.6715
40	Total for Account 440	6,846,775	430,071,777	439,068	15,594	0.0628
41	TOTAL Billed	19,566,540	1,104,982,206	533,512	36,675	0.0565
42	Total Unbilled Rev.(See Instr. 6)	17,924	19,473,706	0	0	1.0865
43	TOTAL	19,584,464	1,124,455,912	533,512	36,709	0.0574

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 442					
2	General Service - KY	1,678,007	120,881,688	71,582	23,442	0.0720
3	Net Metering Service - KY	8	683	1	8,000	0.0854
4	All Electric Service - KY	24,616	1,353,714	72	341,889	0.0550
5	Outdoor Lighting - KY	48,455	5,516,177	18,962	2,555	0.1138
6	Small Time-of-Day Service - KY	205,277	9,310,419	53	3,873,151	0.0454
7	Combined Lighting & Power - KY	4,649,035	244,155,849	8,072	575,946	0.0525
8	Large Comm T.O.D. - KY	3,104,556	137,261,618	38	81,698,842	0.0442
9	Mine Power - KY	178,362	9,865,460	41	4,350,293	0.0553
10	Mine Power T.O.D. - KY	359,385	17,336,591	11	32,669,545	0.0482
11	North American Stainless - KY	375,476	20,639,004	1	375,476,000	0.0550
12	Curtailment Service		-5,617,688	2		
13	Redundant Capacity - KY		10,588	2		
14	General Service - VA	82,634	6,362,720	3,495	23,643	0.0770
15	Outdoor Lighting - VA	1,182	184,309	724	1,633	0.1559
16	Large Power Service - VA	336,303	19,300,712	241	1,395,448	0.0574
17	Curtailment Service - VA		-17,262	1		
18	Duplicate Customers			-18,305		
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39	Unbilled & Other Accruals	3,452	10,237,107			2.9656
40	Total for Account 442	11,046,728	596,781,709	84,993	129,972	0.0540
41	TOTAL Billed	19,566,540	1,104,982,206	533,512	36,675	0.0565
42	Total Unbilled Rev.(See Instr. 6)	17,924	19,473,708	0	0	1.0865
43	TOTAL	19,584,464	1,124,455,912	533,512	36,705	0.0574

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2007/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311. 2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading. 3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers. 4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly). 5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto. 6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 444					
2	General Service - KY	3,379	338,506	911	3,709	0.1002
3	Outdoor Lighting - KY	12	1,495	9	1,333	0.1246
4	Street Lighting - KY	44,495	8,305,566	510	87,245	0.1887
5	Combined Lighting & Power - KY	6,759	390,955	33	204,818	0.0578
6	General Service - VA	57	5,162	8	7,125	0.0906
7	Street Lighting - VA	1,639	249,624	35	46,829	0.1523
8	Duplicate Customers			3		
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39	Unbilled & Other Accruals	114	79,706			0.6992
40	Total for Account 444	56,455	9,371,014	1,503	37,562	0.1660
41	TOTAL Billed	19,566,540	1,104,982,206	533,512	36,675	0.0565
42	Total Unbilled Rev.(See Instr. 6)	17,924	19,473,706	0	0	1.0865
43	TOTAL	19,584,464	1,124,455,912	533,512	36,705	0.0574

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 445					
2	Residential Service - KY	2,268	148,950	304	7,454	0.0657
3	Volunteer Fire Department - KY	584	34,079	30	18,800	0.0604
4	General Service - KY	130,448	9,379,077	4,970	26,247	0.0719
5	All Electric School - KY	103,966	5,701,906	231	450,069	0.0548
6	Outdoor Lighting - KY	6,114	747,873	2,274	2,689	0.1223
7	Combined Lighting & Power - KY	850,637	45,766,455	1,338	635,753	0.0538
8	Large Comm/T.O.D. - KY	455,856	20,386,624	6	75,976,000	0.0447
9	Floodwall Water Pumping - KY	47	1,715	8	5,875	0.0365
10	Residential Service - VA	585	38,660	49	11,939	0.0661
11	General Service - VA	13,674	1,045,590	532	25,703	0.0765
12	School Service - VA	24,474	1,178,267	159	153,925	0.0481
13	Outdoor Lighting - VA	595	92,806	243	2,449	0.1560
14	Large Power Service - VA	42,135	2,550,335	39	1,080,385	0.0605
15	Water Pumping Service - VA	787	47,341	11	69,727	0.0617
16	Duplicate Customers			-2,246		
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39	Unbilled & Other Accruals	2,378	1,111,735			0.4675
40	Total for Account 445	1,634,506	88,231,412	7,948	205,650	0.0540
41	TOTAL Billed	19,566,540	1,104,982,206	533,512	36,675	0.0565
42	Total Unbilled Rev.(See Instr. B)	17,924	19,473,706	0	0	1.0865
43	TOTAL	19,584,464	1,124,455,912	533,512	36,705	0.0574

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 2 Column: c Includes Fuel Adjustment Clause of \$40,304,981.
Schedule Page: 304 Line No.: 3 Column: c Includes Fuel Adjustment Clause of \$92.
Schedule Page: 304 Line No.: 4 Column: c Includes Fuel Adjustment Clause of \$162,598.
Schedule Page: 304 Line No.: 10 Column: d Number of duplicate customers included on: Line 4 40,257 Line 7 3 Line 9 4,423
Schedule Page: 304.1 Line No.: 2 Column: c Includes Fuel Adjustment Clause of \$11,074,823.
Schedule Page: 304.1 Line No.: 3 Column: c Includes Fuel Adjustment Clause of \$50.
Schedule Page: 304.1 Line No.: 4 Column: c Includes Fuel Adjustment Clause of \$159,505.
Schedule Page: 304.1 Line No.: 5 Column: c Includes Fuel Adjustment Clause of \$312,169.
Schedule Page: 304.1 Line No.: 6 Column: c Includes Fuel Adjustment Clause of \$1,381,807.
Schedule Page: 304.1 Line No.: 7 Column: c Includes Fuel Adjustment Clause of \$31,212,431.
Schedule Page: 304.1 Line No.: 8 Column: c Includes Fuel Adjustment Clause of \$20,719,082.
Schedule Page: 304.1 Line No.: 9 Column: c Includes Fuel Adjustment Clause of \$1,149,429.
Schedule Page: 304.1 Line No.: 10 Column: c Includes Fuel Adjustment Clause of \$2,348,121.
Schedule Page: 304.1 Line No.: 11 Column: c Includes Fuel Adjustment Clause of \$2,375,982.
Schedule Page: 304.1 Line No.: 18 Column: d Number of duplicate customers included on: Line 5 17,619 Line 12 2 Line 13 2 Line 15 681 Line 17 1
Schedule Page: 304.2 Line No.: 2 Column: c Includes Fuel Adjustment Clause of \$21,933.
Schedule Page: 304.2 Line No.: 3 Column: c Includes Fuel Adjustment Clause of \$77.
Schedule Page: 304.2 Line No.: 4 Column: c Includes Fuel Adjustment Clause of \$286,649.
Schedule Page: 304.2 Line No.: 5 Column: c Includes Fuel Adjustment Clause of \$44,796.
Schedule Page: 304.2 Line No.: 8 Column: d Number of duplicate customers included on: Line 3 3
Schedule Page: 304.3 Line No.: 2 Column: c Includes Fuel Adjustment Clause of \$14,656.
Schedule Page: 304.3 Line No.: 3 Column: c Includes Fuel Adjustment Clause of \$3,435.
Schedule Page: 304.3 Line No.: 4 Column: c
FERC FORM NO. 1 (ED. 12-87)
Page 450.1

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Includes Fuel Adjustment Clause of \$854,515.

Schedule Page: 304.3 Line No.: 5 Column: c

Includes Fuel Adjustment Clause of \$663,122.

Schedule Page: 304.3 Line No.: 6 Column: c

Includes Fuel Adjustment Clause of \$39,376.

Schedule Page: 304.3 Line No.: 7 Column: c

Includes Fuel Adjustment Clause of \$5,723,618.

Schedule Page: 304.3 Line No.: 8 Column: c

Includes Fuel Adjustment Clause of \$3,153,129.

Schedule Page: 304.3 Line No.: 9 Column: c

Includes Fuel Adjustment Clause of \$737.

Schedule Page: 304.3 Line No.: 16 Column: d

Number of duplicate customers included on:

Line 6 2026

Line 13 220

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Barbourville	IF	184	NA	NA	NA
2	City of Bardstown	IF	185	NA	NA	NA
3	City of Bardwell	IF	186	NA	NA	NA
4	City of Benham	IF	187	NA	NA	NA
5	City of Corbin	IF	188	NA	NA	NA
6	City of Falmouth	IF	189	NA	NA	NA
7	City of Frankfort	IF	190	NA	NA	NA
8	City of Madisonville	IF	(A)	NA	NA	NA
9	City of Nicholasville	IF	(B)	NA	NA	NA
10	City of Paris	IF	83	NA	NA	NA
11	City of Providence	IF	(C)	NA	NA	NA
12	Berea College	RQ	197	0	0	0
13	City of Barbourville	RQ	184	19	19	18
14	City of Bardstown	RQ	185	34	34	33
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
-1,398		-80,249		-80,249	1
-1,428		-81,963		-81,963	2
-344		-19,770		-19,770	3
-158		-9,046		-9,046	4
-1,651		-94,767		-94,767	5
-375		-21,521		-21,521	6
-9,927		-589,804		-589,804	7
-4,959		-284,628		-284,628	8
-1,624		-93,235		-93,235	9
-867		-49,754		-49,754	10
-782		-44,903		-44,903	11
-59	-1,906	-1,316	149	-3,073	12
106,416	1,673,124	2,479,493	594,169	4,746,786	13
211,645	3,058,734	4,931,333	1,196,131	9,186,198	14
2,058,905	30,147,988	48,310,171	11,529,793	89,987,952	
1,581,503	0	51,004,300	-159,777	50,844,523	
3,640,408	30,147,988	99,314,471	11,370,016	140,832,475	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Bardwell	RQ	186	2	2	2
2	City of Benham	RQ	187	2	2	1
3	City of Berea	RQ	197	25	25	25
4	City of Corbin	RQ	188	16	16	16
5	City of Falmouth	RQ	189	4	4	3
6	City of Frankfort	RQ	190	133	133	130
7	City of Madisonville-East	RQ	194	8	9	7
8	City of Madisonville-GE Sub.	RQ	192	8	8	6
9	City of Madisonville-Hosp. Sub.	RQ	161	9	10	8
10	City of Madisonville-McCoy Ave.	RQ	162	10	10	9
11	City of Madisonville-S/N	RQ	191	9	9	8
12	City of Madisonville-West	RQ	193	13	13	12
13	City of Nicholasville-#3	RQ	163	6	6	6
14	City of Nicholasville-#4 & #5	RQ	198	12	12	12
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (g) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
9,499	158,924	221,331	54,612	434,867	1
6,972	142,870	162,448	36,421	341,739	2
144,197	2,214,178	3,359,735	794,485	6,368,398	3
89,064	1,437,217	2,075,191	506,084	4,018,492	4
20,276	329,015	472,487	114,696	916,198	5
811,776	11,769,522	18,914,381	4,532,619	35,216,522	6
47,657	751,356	1,110,403	266,067	2,127,826	7
51,048	686,535	1,189,418	286,124	2,162,077	8
58,522	842,649	1,363,553	328,820	2,535,022	9
52,464	873,883	1,222,411	299,058	2,395,352	10
56,433	827,272	1,314,875	328,811	2,470,958	11
79,171	1,160,243	1,844,689	453,350	3,458,282	12
33,277	543,694	775,356	165,712	1,504,762	13
60,964	1,050,701	1,420,468	334,285	2,805,454	14
2,058,905	30,147,988	48,310,171	11,529,793	89,987,952	
1,581,503	0	51,004,300	-159,777	50,844,523	
3,640,408	30,147,988	99,314,471	11,370,016	140,832,475	

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Nicholasville-#6 & #8	RQ	216	14	13	12
2	City of Nicholasville-#7	RQ	217	7	6	6
3	City of Paris-Bourbon Heights	RQ	83	0	0	0
4	City of Paris-Bourbon Trace 1	RQ	83	0	0	0
5	City of Paris-Bourbon Trace 2	RQ	83	0	0	0
6	City of Paris-Scott/Claysville	RQ	83	8	8	3
7	City of Paris-Vine Street	RQ	83	3	3	3
8	City of Paris-Weaver 1	RQ	83	0	0	0
9	City of Paris-Weaver 2	RQ	83	0	0	0
10	City of Paris-Weaver 3	RQ	83	0	0	0
11	City of Paris-Wilson Drug	RQ	83	0	0	0
12	City of Providence	RQ	195	4	4	3
13	City of Providence-East	RQ	198	2	2	2
14	American Electric Power Service Corp	OS	(2)	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (g) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
90,515	1,233,233	2,108,988	498,555	3,840,776	1
34,155	575,332	795,812	190,296	1,561,440	2
1,173		33,624	6,729	40,353	3
415		11,902	2,197	14,099	4
330		9,468	1,779	11,247	5
42,885	30,586	1,229,513	236,660	1,496,758	6
17,090	262,500	489,963	94,551	847,014	7
12		353	58	411	8
624		17,879	3,347	21,226	9
161		4,620	804	5,424	10
195		5,596	1,118	6,714	11
18,781	320,538	437,593	107,332	865,463	12
13,245	207,788	308,604	74,774	591,166	13
4,843		232,477		232,477	14
2,058,905	30,147,988	48,310,171	11,529,793	89,987,952	
1,581,503	0	51,004,300	-159,777	50,844,523	
3,640,408	30,147,988	99,314,471	11,370,016	140,832,475	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Associated Electric Coop Inc	OS	(3)	NA	NA	NA
2	Bluegrass Generation Company, LLC	OS	(8)	NA	NA	NA
3	BP Energy Company	OS	(3)	NA	NA	NA
4	Cargill Power Markets, LLC	OS	(3)	NA	NA	NA
5	Citigroup Energy Inc.	OS	(3)	NA	NA	NA
6	Cobb Electric Membership Corporation	OS	(3)	NA	NA	NA
7	Connectiv Energy Supply	OS	(3)	NA	NA	NA
8	Constellation Energy Comds. Grp. Inc.	OS	(2)	NA	NA	NA
9	DTE Energy Trading Inc.	OS	(3)	NA	NA	NA
10	Duke Energy Carolinas, LLC	OS	(3)	NA	NA	NA
11	Duke Energy Indiana, Inc.	AD	(2)	NA	NA	NA
12	Duke Energy Ohio, Inc.	AD	(2)	NA	NA	NA
13	East Kentucky Power Cooperative, Inc.	OS	(3)	NA	NA	NA
14	East Kentucky Power Cooperative, Inc.	OS	(6)	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (g) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
2,890		130,090		130,090	1
12		1,147		1,147	2
13		815		815	3
3,092		156,328		156,328	4
395		19,277		19,277	5
1,360		83,989		83,989	6
1		44		44	7
3,560		170,194		170,194	8
292		16,274		16,274	9
469		17,855		17,855	10
4			377	377	11
-4			-377	-377	12
7,239		498,019		498,019	13
1		23		23	14
2,058,905	30,147,988	48,310,171	11,529,793	89,987,952	
1,581,503	0	51,004,300	-159,777	50,844,523	
3,640,408	30,147,988	99,314,471	11,370,016	140,832,475	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Fortis Energy Marketing & Trading GP	OS	(3)	NA	NA	NA
2	Illinois Municipal Electric Agency	OS	(5)	NA	NA	NA
3	Indiana Municipal Power Agency	OS	(5)	NA	NA	NA
4	Kansas City Power & Light	OS	(3)	NA	NA	NA
5	Louisville Gas & Electric Company	SF	(1)	NA	NA	NA
6	MF Global Inc.	OS		NA	NA	NA
7	Merrill Lynch Commodities, Inc.	OS	(3)	NA	NA	NA
8	Midwest Independent Transmission System	OS	(3)	NA	NA	NA
9	Midwest ISO Contingency/Reserve Sharing	OS	(7)	NA	NA	NA
10	Northern Indiana Public Service Company	OS	(3)	NA	NA	NA
11	Owensboro Municipal Utilities	IF	(9)	NA	NA	NA
12	Owensboro Municipal Utilities	OS	(9)	NA	NA	NA
13	PJM Interconnection Association	OS	(3)	NA	NA	NA
14	Progress Energy Ventures Inc.	OS	(3)	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
2,886		142,422		142,422	1
2,237		143,138		143,138	2
2,333		150,579		150,579	3
140		8,078		8,078	4
1,471,558		45,589,608		45,589,608	5
			-159,777	-159,777	6
1,599		87,920		87,920	7
40,129		2,403,382		2,403,382	8
65		12,086		12,086	9
4		251		251	10
-15,789		-906,237		-906,237	11
53,288		2,306,554		2,306,554	12
8,921		430,962		430,962	13
276		15,761		15,761	14
2,058,905	30,147,988	48,310,171	11,529,793	89,987,952	
1,581,503	0	51,004,300	-159,777	50,844,523	
3,640,408	30,147,988	99,314,471	11,370,016	140,832,475	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Sempra Energy Trading Corp.	OS	(2)	NA	NA	NA
2	Southern Company Services, Inc	OS	(2)	NA	NA	NA
3	Tenaska Power Services Co	OS	(3)	NA	NA	NA
4	Tennessee Valley Authority	OS	(3)	NA	NA	NA
5	The Energy Authority	OS	(2)	NA	NA	NA
6	Transalta Energy Marketing (U.S.) Inc.	OS	(3)	NA	NA	NA
7	Westar Energy, Inc.	OS	(3)	NA	NA	NA
8	Williams Power Co. Inc.	OS	(2)	NA	NA	NA
9	Note: Negative revenues and mwh's sold					
10	result from the netting of brokered					
11	activity and represent net purchases.					
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (B) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)	Total (\$) (h+i+j) (k)	Line No.
1,430		78,196		78,196	1
-3		-202		-202	2
33		1,311		1,311	3
10,690		503,743		503,743	4
686		35,506		35,506	5
151		11,905		11,905	6
134		6,724		6,724	7
81		5,721		5,721	8
					9
					10
					11
					12
					13
					14
2,058,905	30,147,988	48,310,171	-11,529,793	89,987,952	
1,581,503	0	51,004,300	-159,777	50,844,523	
3,640,408	30,147,988	99,314,471	11,370,016	140,832,475	

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 8 Column: c
(A) Tariff Nos. 161, 162, 191, 192, 193 and 194.
Schedule Page: 310 Line No.: 9 Column: c
(B) Tariff Nos. 163, 198 and 216.
Schedule Page: 310 Line No.: 11 Column: c
(C) Tariff Nos. 195 and 196.
Schedule Page: 310 Line No.: 12 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310 Line No.: 13 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310 Line No.: 14 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 1 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 2 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 3 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 4 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 5 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 6 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 7 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 8 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 9 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 10 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 11 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 12 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 13 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.1 Line No.: 14 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 1 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 2 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 3 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 4 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 5 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 6 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
FERC FORM NO. 1 (ED. 12-87)
Page 450.1

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 7 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 8 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 9 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 10 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 11 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 12 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 13 Column: j

All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.

Schedule Page: 310.2 Line No.: 14 Column: b

Market Based Sale

Schedule Page: 310.2 Line No.: 14 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.3 Line No.: 1 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 1 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.3 Line No.: 2 Column: b

Energy Imbalance

Schedule Page: 310.3 Line No.: 2 Column: c

(8) FERC Electric Tariff, Original Volume No. 2, Service Agreement No. 255

Schedule Page: 310.3 Line No.: 3 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 3 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.3 Line No.: 4 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 4 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.3 Line No.: 5 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 5 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.3 Line No.: 6 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 6 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.3 Line No.: 7 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 7 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.3 Line No.: 8 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 8 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 310.3 Line No.: 9 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 9 Column: c
(3) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.3 Line No.: 10 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 10 Column: c
(3) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.3 Line No.: 11 Column: b
December 2006 correction made in 2007. Previously reported as Duke Energy Ohio, Inc.
Schedule Page: 310.3 Line No.: 11 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.3 Line No.: 11 Column: j
December 2006 correction made in 2007. Previously reported as Duke Energy Ohio, Inc.
Schedule Page: 310.3 Line No.: 12 Column: b
December 2006 correction made in 2007. Should have been reported as Duke Energy Indiana, Inc.
Schedule Page: 310.3 Line No.: 12 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.3 Line No.: 12 Column: j
December 2006 correction made in 2007. Should have been reported as Duke Energy Indiana, Inc.
Schedule Page: 310.3 Line No.: 13 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 13 Column: c
(3) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.3 Line No.: 14 Column: b
Energy Imbalance
Schedule Page: 310.3 Line No.: 14 Column: c
(6) East Kentucky Power Coop. OATT FERC Electric Tariff Vol. 1 Second Rev.
Schedule Page: 310.4 Line No.: 1 Column: b
Market Based Sale
Schedule Page: 310.4 Line No.: 1 Column: c
(3) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.4 Line No.: 2 Column: b
Cost Based Sale
Schedule Page: 310.4 Line No.: 2 Column: c
(5) FERC Electric Tariff, Original Volume No. 5
Schedule Page: 310.4 Line No.: 3 Column: b
Cost Based Sale
Schedule Page: 310.4 Line No.: 3 Column: c
(5) FERC Electric Tariff, Original Volume No. 5
Schedule Page: 310.4 Line No.: 4 Column: b
Market Based Sale
Schedule Page: 310.4 Line No.: 4 Column: c
(3) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.4 Line No.: 5 Column: a
Louisville Gas and Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.
Schedule Page: 310.4 Line No.: 5 Column: c
(1) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000
Schedule Page: 310.4 Line No.: 6 Column: b
Financial Swap
Schedule Page: 310.4 Line No.: 6 Column: j
Financial Swap
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Page 450.3

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 310.4 Line No.: 7 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 7 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 8 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 8 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 9 Column: a

The Midwest ISO Contingency Reserve Sharing Group (MISO CRSG) is not a signatory to the CRSG contract. The MISO CRSG is the group administrator and serves as the clearing house for the CRSG billing. The CRSG group is comprised of the following members: Alliant East, Alliant West, Ameren Illinois, Ameren Missouri, Ames Municipal, Basin Electric Power Cooperative, Big Rivers, City of Springfield, City of Columbia Missouri, Consumers, Dairyland Power Cooperative, DTE Energy, Duke Energy, Duke Energy Indiana, Duke Energy Kentucky, Duke Energy Ohio, East Kentucky Power Coop, E.ON US, First Energy, GEN-SYS Energy, Great River Energy, Hastings Municipal, Heartland Consumers Power Dist, Hoosier Energy R.E.C., Hutchinson Utilities Commission, Indianapolis Power & Light Co, Lincoln Electric System, Madison Gas & Electric, Manitoba Hydro, Michigan Electric Coordinated System, MidAmerican Energy Company, Minnesota Municipal Power Agency, Minnesota Power Inc, Minnkota Power Cooperative, Missouri River Energy Services, Montana-Dakota Utilities Inc, Municipal Energy Agency of Nebraska, Muscatine Power and Water, Nebraska Public Power District, Northern Indiana Public Service Co, Northwestern Energy, NSP Companies, Omaha Public Power District, Otter Tail Power Company, Rochester Public Utilities, So Minnesota Municipal Power Agency, Southern Illinois Power Coop, Upper Peninsula Power Co, Vectren, Western Area Power Administration, Willmar Municipal Utilities, Wisconsin Energy Corporation, Wisconsin Public Power Inc, and Wisconsin Public Service Corp.

Schedule Page: 310.4 Line No.: 9 Column: b

Emergency Power

Schedule Page: 310.4 Line No.: 9 Column: c

(7) MISO FERC Electric Tariff Rate Schedule No. 9

Schedule Page: 310.4 Line No.: 9 Column: g

MWH for Midwest ISO (MISO) members are excluded to avoid double-counting; MWH for MISO members are reported with the MISO as part of the energy markets invoice using the FERC Order 668 MWH netting requirement.

Schedule Page: 310.4 Line No.: 9 Column: i

Energy dollars for amount representing LMP are reported with the Midwest ISO (MISO) as part of the energy markets invoice using the FERC Order 668 MWH netting requirement.

Schedule Page: 310.4 Line No.: 10 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 10 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 11 Column: c

(9) FERC Electric Tariff FPC 74

Schedule Page: 310.4 Line No.: 12 Column: b

Backup Power

Schedule Page: 310.4 Line No.: 12 Column: c

(9) FERC Electric Tariff FPC 74

Schedule Page: 310.4 Line No.: 13 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 13 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 14 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 14 Column: c

(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 1 Column: b

Market Based Sale

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Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 310.5 Line No.: 1 Column: c
(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 2 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 2 Column: c
(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 3 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 3 Column: c
(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 4 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 4 Column: c
(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 5 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 5 Column: c
(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 6 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 6 Column: c
(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 7 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 7 Column: c
(3) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 8 Column: b
Market Based Sale

Schedule Page: 310.5 Line No.: 8 Column: c
(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 9 Column: a
Negative figures represent accounting required by EITF 02-03 netting purchases and brokered revenues and represent a net purchase.

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2007/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	3,854,997	3,643,869	
5	(501) Fuel	402,527,315	377,673,157	
6	(502) Steam Expenses	9,983,115	8,783,650	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	5,596,263	5,489,171	
10	(506) Miscellaneous Steam Power Expenses	7,282,652	7,451,722	
11	(507) Rents			
12	(509) Allowances	2,614,525	3,075,882	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	431,888,867	406,117,451	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	4,952,714	4,592,397	
16	(511) Maintenance of Structures	5,036,929	4,535,489	
17	(512) Maintenance of Boiler Plant	27,400,811	20,380,208	
18	(513) Maintenance of Electric Plant	10,556,105	5,407,895	
19	(514) Maintenance of Miscellaneous Steam Plant	1,065,291	1,151,325	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	49,011,850	36,067,314	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	480,900,717	442,184,765	
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)			
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)			
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)			
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering	8,950	10,191	
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses	30,470	32,026	
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	39,420	42,217	
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering	107,573	96,497	
54	(542) Maintenance of Structures	144,686	102,634	
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant	197,756	79,995	
57	(545) Maintenance of Miscellaneous Hydraulic Plant	5,459	15,344	
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	455,474	294,470	
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	484,894	336,687	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	74,616		161,414
63	(547) Fuel	57,591,370		45,319,989
64	(548) Generation Expenses	713,415		559,572
65	(549) Miscellaneous Other Power Generation Expenses	144,288		117,937
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	58,523,689		46,158,912
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	42,895		30,947
70	(552) Maintenance of Structures	150,424		142,707
71	(553) Maintenance of Generating and Electric Plant	2,975,965		3,090,188
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	252,060		124,990
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	3,421,344		3,388,832
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	61,945,033		49,547,744
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	168,443,606		182,445,055
77	(556) System Control and Load Dispatching	1,552,192		1,497,716
78	(557) Other Expenses	1,866,475		14,341,453
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	171,662,273		198,284,224
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	715,002,917		690,353,420
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	916,089		809,885
84	(561) Load Dispatching	957,968		905,814
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System			
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services	259		2,148,397
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies	18,891		
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services	18		154,475
93	(562) Station Expenses	458,794		487,492
94	(563) Overhead Lines Expenses	400,237		351,588
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	4,484,694		636,490
97	(566) Miscellaneous Transmission Expenses	6,293,929		1,961,218
98	(567) Rents	56,986		66,325
99	TOTAL Operation (Enter Total of lines 83 thru 98)	13,587,865		7,521,684
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures			
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	1,169,930		1,419,942
108	(571) Maintenance of Overhead Lines	3,515,529		3,230,365
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant	309,324		366,416
111	TOTAL Maintenance (Total of lines 101 thru 110)	4,994,783		5,016,723
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	18,582,648		12,538,407

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3. REGIONAL MARKET EXPENSES			
114	Operation			
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation			
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services	5,792	2,467,269	
122	(575.8) Rents			
123	Total Operation (Lines 115 thru 122)	5,792	2,467,269	
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	5,792	2,467,269	
132	4. DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	1,337,127	1,364,286	
135	(581) Load Dispatching	667,273	626,656	
136	(582) Station Expenses	1,103,556	1,134,872	
137	(583) Overhead Line Expenses	2,806,778	3,118,262	
138	(584) Underground Line Expenses	85,185	99,125	
139	(585) Street Lighting and Signal System Expenses	6,500	7,135	
140	(586) Meter Expenses	6,202,616	6,205,589	
141	(587) Customer Installations Expenses	-81,768	-101,068	
142	(588) Miscellaneous Expenses	4,557,460	4,786,165	
143	(589) Rents	13,002	11,044	
144	TOTAL Operation (Enter Total of lines 134 thru 143)	16,697,729	17,252,066	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering	7,927	5,742	
147	(591) Maintenance of Structures			
148	(592) Maintenance of Station Equipment	813,560	1,510,368	
149	(593) Maintenance of Overhead Lines	19,293,285	19,402,799	
150	(594) Maintenance of Underground Lines	621,863	639,610	
151	(595) Maintenance of Line Transformers	112,521	64,791	
152	(596) Maintenance of Street Lighting and Signal Systems	81,269	182,499	
153	(597) Maintenance of Meters			
154	(598) Maintenance of Miscellaneous Distribution Plant	11,846	7,183	
155	TOTAL Maintenance (Total of lines 146 thru 154)	20,942,271	21,812,992	
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	37,640,000	39,065,058	
157	5. CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision	1,991,238	2,100,254	
160	(902) Meter Reading Expenses	4,292,201	4,692,871	
161	(903) Customer Records and Collection Expenses	11,881,015	11,543,567	
162	(904) Uncollectible Accounts	2,323,942	2,608,946	
163	(905) Miscellaneous Customer Accounts Expenses	173,641	70,757	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	20,462,037	21,016,395	

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2007/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	234,620	248,670	
168	(908) Customer Assistance Expenses	4,748,069	4,180,358	
169	(909) Informational and Instructional Expenses	536,623	184,059	
170	(910) Miscellaneous Customer Service and Informational Expenses	747,973	225,350	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	6,267,285	4,838,437	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses			
176	(913) Advertising Expenses	48,890		
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	48,890		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	15,682,009	14,150,106	
182	(921) Office Supplies and Expenses	7,271,153	6,836,146	
183	(Less) (922) Administrative Expenses Transferred-Credit	1,316,492	1,221,870	
184	(923) Outside Services Employed	8,985,949	6,957,638	
185	(924) Property Insurance	3,394,768	3,097,847	
186	(925) Injuries and Damages	1,178,211	1,690,654	
187	(926) Employee Pensions and Benefits	22,618,725	28,229,324	
188	(927) Franchise Requirements	3,206	3,023	
189	(928) Regulatory Commission Expenses	930,738		
190	(929) (Less) Duplicate Charges-Cr.	3,206	3,023	
191	(930.1) General Advertising Expenses	445,124	558,300	
192	(930.2) Miscellaneous General Expenses	1,545,718	4,937,489	
193	(931) Rents	1,565,377	1,404,837	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	62,301,280	68,640,471	
195	Maintenance			
196	(935) Maintenance of General Plant	6,416,472	6,296,915	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	68,717,752	72,937,386	
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	866,727,321	843,216,372	

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 320 Line No.: 78 Column: c

The primary cause of the decrease in account 557 is MISO Day 2 expenses in 2006.

Schedule Page: 320 Line No.: 96 Column: b

The primary cause of the increase in account 565 between 2007 and 2006 is a credit in 2006 of \$1.3M booked to electric transmission related to off-system sales to the MISO based on non-firm point-to-point service resettlement per the FERC Order regarding DTE Energy Trading, Inc. vs MISO, docket #EL05-63-000.

Schedule Page: 320 Line No.: 121 Column: c

Expenses represent MISO Day 2 charges.

Schedule Page: 320 Line No.: 141 Column: b

Credit is due to meter tampering charges billed to customers to offset cost of meter maintenance. Cost is recorded in several accounts.

Schedule Page: 320 Line No.: 141 Column: c

Credit is due to meter tampering charges billed to customers to offset cost of meter maintenance. Cost is recorded in several other accounts.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2007/Q4</u>			
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Ameren Energy Marketing Company	OS (1)		NA	NA	NA
2	American Electric Power Service Corp	OS (1)		NA	NA	NA
3	Associated Electric Coop Inc	OS (1)		NA	NA	NA
4	Big Rivers Electric Corp.	AD (1)		NA	NA	NA
5	Bluegrass Generation Company LLC	OS (5)		NA	NA	NA
6	Cargill Power Markets, LLC	OS (1)		NA	NA	NA
7	Citigroup Energy Inc.	OS (1)		NA	NA	NA
8	Cobb Electric Membership Corporation	OS (1)		NA	NA	NA
9	Constellation Energy Comds. Grp Inc.	OS (1)		NA	NA	NA
10	Dayton Power & Light Co	OS (1)		NA	NA	NA
11	DTE Energy Trading Inc	OS (1)		NA	NA	NA
12	Duke Energy Carolinas, LLC	OS (1)		NA	NA	NA
13	Duke Energy Ohio, Inc.	AD (1)		NA	NA	NA
14	East Kentucky Power Coop. Inc.	OS (1)		NA	NA	NA
Total						

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4				
PURCHASED POWER(Account 555) (Continued) (including power exchanges)							
<p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (l) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p>							
MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$)(j)	Energy Charges (\$)(k)	Other Charges (\$)(l)	Total (j+k+l) of Settlement (\$)(m)	
1,304				69,112		69,112	1
51,112				3,149,297		3,149,297	2
28,957				1,981,958		1,981,958	3
					11	11	4
312				20,415		20,415	5
42,955				2,735,376		2,735,376	6
2,762				166,092		166,092	7
7,844				487,167		487,167	8
33,237				2,474,145		2,474,145	9
475				29,750		29,750	10
1,968				109,031		109,031	11
2,334				147,548		147,548	12
					12	12	13
3,412				187,205		187,205	14
6,650,566	25,345	451	15,702,460	152,741,119	27	168,443,606	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	East Kentucky Power Coop. Inc.	OS	(3)	NA	NA	NA
2	Fortis Energy Marketing & Trading GP	OS	(1)	NA	NA	NA
3	Kansas City Power & Light Co	OS	(1)	NA	NA	NA
4	Louisville Gas & Electric Co.	SF	(2)	NA	NA	NA
5	Merrill Lynch Commodities, Inc.	OS	(1)	NA	NA	NA
6	Midwest Independent Transmission Oper.	OS	(1)	NA	NA	NA
7	Midwest ISO Contingency Reserv/ Sharing	OS	(4)	NA	NA	NA
8	Ohio Valley Electric Corporation	OS	(6)	NA	NA	NA
9	Owensboro Municipal Utilities	RQ	(7)	148	274	
10	Owensboro Municipal Utilities	IF	(7)	NA	NA	NA
11	PJM Interconnection Association	OS	(1)	NA	NA	NA
12	Progress Energy Ventures Inc.	OS	(1)	NA	NA	NA
13	Sempra Energy Trading Corp.	OS	(1)	NA	NA	NA
14	Southern Company Services, Inc.	OS	(1)	NA	NA	NA
	Total					

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PURCHASED POWER (Account 555) (Continued) (including power exchanges)							
<p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p>							
MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
1,377				91,261		91,261	1
28,372				1,902,946		1,902,946	2
284				16,485		16,485	3
4,667,719				93,385,708		93,385,708	4
9,904				702,481		702,481	5
78,717				4,702,954		4,702,954	6
194				118,074		118,074	7
369,025			1,324,708	7,240,870		8,565,378	8
1,288,573			14,377,752	30,779,888		45,157,640	9
55				3,157		3,157	10
4,021				204,510		204,510	11
2,150				174,256		174,256	12
339				19,336		19,336	13
10,013				631,822		631,822	14
6,650,568	25,345	451	15,702,460	152,741,119	27	188,443,606	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4			
PURCHASED POWER (Account 555) (including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Southern Indiana Gas & Electric Co.	AD	(1)	NA	NA	NA
2	Tenaska Power Services Co	OS	(1)	NA	NA	NA
3	The Energy Authority	OS	(1)	NA	NA	NA
4	TransAlta Energy Marketing (U.S.) Inc	OS	(1)	NA	NA	NA
5	Tennessee Valley Authority	OS	(1)	NA	NA	NA
6	Westar Energy, Inc.	OS	(1)	NA	NA	NA
7	Williams Power Co. Inc.	OS	(1)	NA	NA	NA
8	Inadvertant Interchange					
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
PURCHASED POWER (Account 555) (Continued) (Including power exchanges)							
<p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p>							
	POWER EXCHANGES		COST/SETTLEMENT OF POWER				
MegaWatt Hours Purchased (g)	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	Line No.
					4	4	1
2,149				253,582		253,582	2
2,785				246,486		246,486	3
763				99,160		99,160	4
1,295				168,350		168,350	5
4,692				350,104		350,104	6
1,467				92,793		92,793	7
	25,345	451					8
							9
							10
							11
							12
							13
							14
8,650,568	25,345	451	15,702,460	152,741,119	27	168,443,606	

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 1 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 2 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 2 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 3 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 3 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 4 Column: b
Price adjustment for December 2006 transaction.
Schedule Page: 326 Line No.: 4 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 4 Column: l
Price adjustment for December 2006 transaction.
Schedule Page: 326 Line No.: 5 Column: b
Energy Imbalance
Schedule Page: 326 Line No.: 5 Column: c
(5) FERC Electric Tariff, Original Volume No. 2, Service Agreement No. 255
Schedule Page: 326 Line No.: 6 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 6 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 7 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 7 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 8 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 8 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 9 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 9 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 10 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 10 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 11 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 11 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 12 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 12 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 13 Column: b
Price adjustment for December 2006 transaction.
FERC FORM NO. 1 (ED. 12-87)
Page 450.1

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 13 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 13 Column: l
Price adjustment for December 2006 transaction.
Schedule Page: 326 Line No.: 14 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 14 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326.1 Line No.: 1 Column: b
Energy Imbalance
Schedule Page: 326.1 Line No.: 1 Column: c
(3) E.ON U.S. LLC, on behalf of its Operating Companies: Louisville Gas & Electric Co. and Kentucky Utilities Co. OATT FERC Electric Tariff Third Rev. Vol. 1 (prior to July 13, 2007), Fourth Rev. Vol.1 (July 13, 2007 and after) and East Kentucky Power Coop. OATT FERC Electric Tariff Vol. 1 Second Rev.
Schedule Page: 326.1 Line No.: 2 Column: b
Market Based Purchase
Schedule Page: 326.1 Line No.: 2 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326.1 Line No.: 3 Column: b
Market Based Purchase
Schedule Page: 326.1 Line No.: 3 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326.1 Line No.: 4 Column: a
Louisville Gas and Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.
Schedule Page: 326.1 Line No.: 4 Column: c
(2) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000
Schedule Page: 326.1 Line No.: 5 Column: b
Market Based Purchase
Schedule Page: 326.1 Line No.: 5 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326.1 Line No.: 6 Column: b
Market Based Purchase
Schedule Page: 326.1 Line No.: 6 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326.1 Line No.: 7 Column: a
The Midwest ISO Contingency Reserve Sharing Group (MISO CRSG) is not a signatory to the CRSG contract. The MISO CRSG is the group administrator and serves as the clearing house for the CRSG billing. The CRSG group is comprised of the following members: Alliant East, Alliant West, Ameren Illinois, Ameren Missouri, Ames Municipal, Basin Electric Power Cooperative, Big Rivers, City of Springfield, City of Columbia Missouri, Consumers, Dairyland Power Cooperative, DTE Energy, Duke Energy, Duke Energy Indiana, Duke Energy Kentucky, Duke Energy Ohio, East Kentucky Power Coop, E.ON US, First Energy, GEN-SYS Energy, Great River Energy, Hastings Municipal, Heartland Consumers Power Dist, Hoosier Energy R.E.C., Hutchinson Utilities Commission, Indianapolis Power & Light Co, Lincoln Electric System, Madison Gas & Electric, Manitoba Hydro, Michigan Electric Coordinated System, MidAmerican Energy Company, Minnesota Municipal Power Agency, Minnesota Power Inc, Minnkota Power Cooperative, Missouri River Energy Services, Montana-Dakota Utilities Inc, Municipal Energy Agency of Nebraska, Muscatine Power and Water, Nebraska Public Power District, Northern Indiana Public Service Co, Northwestern Energy, NSP Companies, Omaha Public Power District, Otter Tail Power Company, Rochester Public Utilities, So Minnesota Municipal Power Agency, Southern Illinois Power Coop, Upper Peninsula Power Co, Vectren, Western Area Power Administration, Willmar Municipal Utilities, Wisconsin Energy Corporation, Wisconsin Public Power Inc, and Wisconsin Public Service Corp.
Schedule Page: 326.1 Line No.: 7 Column: b
Emergency Power
Schedule Page: 326.1 Line No.: 7 Column: c
(4) MISO FERC Electric Tariff Rate Schedule No. 9
FERC FORM NO. 1 (ED. 12-87)
Page 450.2

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 326.1 Line No.: 7 Column: g

MWH for Midwest ISO (MISO) members are excluded to avoid double-counting; MWH for MISO members are reported with MISO as part of the energy markets invoice using the FERC Order 668 MWH netting requirement.

Schedule Page: 326.1 Line No.: 7 Column: k

Energy dollars for amount representing LMP are reported with Midwest ISO (MISO) as part of the energy markets invoice using the FERC Order 668 MWH netting requirement.

Schedule Page: 326.1 Line No.: 8 Column: a

The Company owns 2.5% of the common stock of Ohio Valley Electric Corporation. Purchase of surplus power pursuant to Article 6 of the Intercompany Agreement among OVEC and Sponsoring Companies dated July 10, 1953.

Schedule Page: 326.1 Line No.: 8 Column: b

Surplus Power

Schedule Page: 326.1 Line No.: 8 Column: c

(6) Purchase of Surplus power pursuant to Intercompany Agreement among OVEC and Sponsoring Companies dated July 10, 1953.

Schedule Page: 326.1 Line No.: 9 Column: c

(7) FERC Electric Tariff FPC 74

Schedule Page: 326.1 Line No.: 9 Column: f

The supplier's system monthly peak is not available to Kentucky Utilities Company.

Schedule Page: 326.1 Line No.: 10 Column: c

(7) FERC Electric Tariff FPC 74

Schedule Page: 326.1 Line No.: 11 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 11 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 12 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 12 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 13 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 13 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 14 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 14 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 1 Column: b

Price adjustment for December 2006 transaction.

Schedule Page: 326.2 Line No.: 1 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 1 Column: l

Price adjustment for December 2006 transaction.

Schedule Page: 326.2 Line No.: 2 Column: b

Market Based Purchase

Schedule Page: 326.2 Line No.: 2 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 3 Column: b

Market Based Purchase

Schedule Page: 326.2 Line No.: 3 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 4 Column: b

Market Based Purchase

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 326.2 Line No.: 4 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 5 Column: b

Market Based Purchase

Schedule Page: 326.2 Line No.: 5 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 6 Column: b

Market Based Purchase

Schedule Page: 326.2 Line No.: 6 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.2 Line No.: 7 Column: b

Market Based Purchase

Schedule Page: 326.2 Line No.: 7 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')				
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>				
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Midwest ISO	Midwest ISO	Midwest ISO	AD
2	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	FNO
3	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	NF
4	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	AD
5	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	OLF
6	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	NF
7	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	AD
8	Big Rivers Electric Corporation	Big Rivers Electric Corporation	Big Rivers Electric Corporation	NF
9	Big Rivers Electric Corporation	Big Rivers Electric Corporation	Big Rivers Electric Corporation	AD
10	KU Transactions	Kentucky Utilities Company	Various	NF
11	KU Transactions	Kentucky Utilities Company	Various	AD
12	KU Transactions	Kentucky Utilities Company	Various	SFP
13	KU Transactions	Kentucky Utilities Company	Various	LFP
14	Cargill Power Markets, LLC	LGEE	MISO and PJM	NF
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
N/A	Midwest ISO	N/A				1
Vol 1 SA 4	East Kentucky Power	East Kentucky Power	324	2,262,321	2,195,918	2
Vol 1	East Kentucky Power	East Kentucky Power		389	349	3
Vol 1	East Kentucky Power	East Kentucky Power				4
93	TVA	TVA	51	326,327	317,746	5
93	TVA	TVA				6
93	TVA	TVA				7
Vol 1	East Kentucky Power	Big Rivers Electric		579	579	8
Vol 1	East Kentucky Power	Big Rivers Electric				9
Vol 1	Various	Various				10
Vol 1	Various	Various				11
Vol 1	Various	Various	60			12
Vol 1	Various	Various	37			13
Vol 1	LGEE	PJM and MISO		7,790	7,549	14
						15
						16
						17
						18
						19
						20
						21
						22
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						25
						26
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						30
						31
						32
						33
						34
			472	2,597,406	2,522,142	

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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')				
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	-297,677	-40,649	-338,326	1
2,383,514		281,470	2,664,984	2
	944	95	1,039	3
-29,526	-22,038	-51,918	-103,482	4
570,431		37,030	607,461	5
	1,069		1,069	6
-44,220	3,625	40,595		7
	1,051	84	1,135	8
	-26	4	-22	9
	2,663,339	231,547	2,894,886	10
199,333	-265,210	-13,516	-79,393	11
645,103		57,339	702,442	12
359,516		32,665	392,181	13
	28,187	2,675	30,862	14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
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				30
				31
				32
				33
				34
4,084,151	2,113,264	577,421	6,774,836	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
Kentucky Utilities Company			
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: l

Kentucky Utilities Company no longer transmits electricity through the MISO, however, the MISO continues to make adjustments for previous charges related to the transmission of electricity. These adjustments can increase or decrease revenue depending on the individual circumstances of the charge being adjusted. During 2007, there were more adjustments to decrease revenue than to increase revenue, causing the net balance to be negative.

Schedule Page: 328 Line No.: 1 Column: m

Kentucky Utilities Company no longer transmits electricity through the MISO, however, the MISO continues to make adjustments for previous charges related to the transmission of electricity. These adjustments can increase or decrease revenue depending on the individual circumstances of the charge being adjusted. During 2007, there were more adjustments to decrease revenue than to increase revenue, causing the net balance to be negative. Other charges consist of the MISO Schedule 1 and Schedule 2 charges.

Schedule Page: 328 Line No.: 2 Column: m

The total consists of East Kentucky Power Cooperative Schedule 1 and Schedule 2 charges related to firm transmission.

Schedule Page: 328 Line No.: 3 Column: m

The total consists of East Kentucky Power Cooperative Schedule 1 and Schedule 2 charges related to firm transmission.

Schedule Page: 328 Line No.: 4 Column: k

This amount consists of the following three adjustments:

-78,183
-22,219
70,876
<u>-29,526</u>

The adjustment of -78,183 is due to an amount owed to East Kentucky Power Cooperative (EKPC) per FERC Docket No. ER02-2560-009 related to adjustments to the KU-EKPC Interconnection Agreement rates. The FERC is expected to order on this filing during 2008, at which time this amount would be paid to EKPC.

The adjustments of -22,219 and 70,876 relate to the first and second quarters of 2007. Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 4 Column: l

This adjustment relates to an amount owed to East Kentucky Power Cooperative per the Settlement of Proceedings in FERC Docket No. ER06-1458.

Schedule Page: 328 Line No.: 4 Column: m

Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 5 Column: m

The total consists of Tennessee Valley Authority Schedule 1 and Schedule 2 charges related to firm transmission.

Schedule Page: 328 Line No.: 7 Column: k

This adjustment relates to the reclassification of January through April 2007 charges to reflect the correct revenue type (i.e. demand, energy, other).

Schedule Page: 328 Line No.: 7 Column: l

This adjustment relates to the reclassification of January through April 2007 charges to reflect the correct revenue type (i.e. demand, energy, other).

Schedule Page: 328 Line No.: 7 Column: m

This adjustment relates to the reclassification of January through April 2007 charges to reflect the correct revenue type (i.e. demand, energy, other).

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 8 Column: m

The total consists of Big Rivers Electric Corporation Schedule 1 and Schedule 2 charges.

Schedule Page: 328 Line No.: 9 Column: l

Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 9 Column: m

Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 10 Column: m

The total consists of Schedule 1 and Schedule 2 charges related to various counterparties.

Schedule Page: 328 Line No.: 11 Column: k

Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 11 Column: l

Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 11 Column: m

Amounts were reallocated between Kentucky Utilities Company and Louisville Gas and Electric Company or among the three revenue categories during the third and fourth quarters of 2007.

Schedule Page: 328 Line No.: 12 Column: m

The total consists of Schedule 1 and Schedule 2 charges related to various counterparties.

Schedule Page: 328 Line No.: 13 Column: m

The total consists of Schedule 1 and Schedule 2 charges related to various counterparties.

Schedule Page: 328 Line No.: 14 Column: m

The total consists of Cargill Power Markets, LLC Schedule 1 and Schedule 2 charges.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4			
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Midwest ISO	NF	34,516	34,516		22,437	16,945	39,382
2	Midwest ISO	FNS	71,774	71,774		37,471	21,661	59,132
3	Midwest ISO	AD				316,043	8,423	324,466
4	East Kentucky Power	LFP			453,827	173,798		627,625
5	East Kentucky Power	AD			1,238,253			1,238,253
6	Louisville Gas & Elec	LFP	55,800	55,800	54,150		8,625	62,775
7	Louisville Gas & Elec	SFP	6,858	6,858	6,655		1,060	7,715
8	Louisville Gas & Elec	NF	82,806	82,806		176,681	28,641	203,322
9	Louisville Gas & Elec	OS	1,024,498	1,024,498	71,759		7,701	79,460
10	Louisville Gas & Elec	AD			785,090	732,602	204,525	1,722,217
11	PJM Interconnect	NF	3,803	3,803		3,244	2,912	6,156
12	PJM Interconnect	OS	5	5		3	1	4
13	PJM Interconnect	AD				3		3
14	Tennessee Valley Auth	NF	30,615	30,615		8,434		8,434
15	Tennessee Valley Auth	AD				105,750		105,750
16								
	TOTAL		1,310,675	1,310,675	2,609,734	1,576,466	280,494	4,484,694

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
Kentucky Utilities Company			
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: f

Includes amounts per PERC Order ER05-273.

Schedule Page: 332 Line No.: 1 Column: g

Consists of Schedule 1, Schedule 2, Schedule 26 and pass through charges.

Schedule Page: 332 Line No.: 2 Column: g

Consists of Schedule 1, Schedule 2, Schedule 26 and pass through charges.

Schedule Page: 332 Line No.: 3 Column: c

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 3 Column: d

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 3 Column: f

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 3 Column: g

Consists of Schedule 1, Schedule 2, Schedule 26 and pass through charges.

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 5 Column: e

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 6 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Schedule Page: 332 Line No.: 6 Column: g

Consists of Schedule 1 and Schedule 2 Charges.

Schedule Page: 332 Line No.: 7 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Schedule Page: 332 Line No.: 7 Column: g

Consists of Schedule 1 and Schedule 2 Charges.

Schedule Page: 332 Line No.: 8 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Schedule Page: 332 Line No.: 8 Column: g

Consists of Schedule 1 and Schedule 2 Charges.

Schedule Page: 332 Line No.: 9 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 9 Column: g

Consist of Schedule 1 and Schedule 2 charges.

Schedule Page: 332 Line No.: 10 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Schedule Page: 332 Line No.: 10 Column: c

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 10 Column: d

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 10 Column: e

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 10 Column: f

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 10 Column: g

Consists of Schedule 1 and Schedule 2 charges.

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Total "other charges" was reported \$1,900 less in the third quarter than that which was recorded in the general ledger accounts. However, the total amount reported for transmission in the third quarter ties correctly to the general ledger for the third quarter.

Schedule Page: 332 Line No.: 11 Column: f

Included in PJM non-firm point to point transmission service is a non-energy related charge of \$432 that is considered "other" transmission expense. "Non-firm energy charges" includes amounts that were recorded as a non-firm transmission energy purchase instead of "other" in the general ledger accounts.

Schedule Page: 332 Line No.: 11 Column: g

Consists of Schedule 1, Schedule 2 and Schedule 6A, Balance Operating Reserve and Synchronous Condensing Reserve charges.

Schedule Page: 332 Line No.: 12 Column: g

Consists of Schedule 1, Schedule 2 and Schedule 6A, Balance Operating Reserve and Synchronous Condensing Reserve charges.

Schedule Page: 332 Line No.: 13 Column: f

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
Kentucky Utilities Company			
FOOTNOTE DATA			

U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 15 Column: c

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 15 Column: d

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

Schedule Page: 332 Line No.: 15 Column: f

Starting in the third quarter of 2007 there was a change in the methodology of the allocation between Louisville Gas and Electric Company and Kentucky Utilities Company (Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.) and the three expense categories. This change was made retroactive to January 1, 2007 through a year-to-date reclass recorded in the third quarter.

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Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	249,817		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses	1,191,331		
4	Pub & Dist info to Stkhldrs...expn servicing outstanding Securities			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000			
6	Water Use Fees	110,007		
7	Late Payment of Withholding Tax	4,998		
8	Miscellaneous Deblts and Credits	-10,435		
9				
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46	TOTAL	1,545,718		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			5,420,545		5,420,545
2	Steam Production Plant	46,260,418	196,576			46,456,994
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	168,972	52			169,024
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	16,582,340	2,422			16,584,762
7	Transmission Plant	15,417,501	196			15,417,697
8	Distribution Plant	31,460,322	183			31,460,505
9	Regional Transmission and Market Operation					
10	General Plant	5,195,183				5,195,183
11	Common Plant-Electric					
12	TOTAL	115,064,736	199,429	5,420,545		120,684,710
B. Basis for Amortization Charges						
ACCOUNT	RATE	PLANT BALANCE @ 12/31/2007	AMORTIZATION			
130200	0-5% (1)	83,453	3,137			
130300	20%	24,595,145	5,417,408			
Notes:						
(1) Amortization rates vary from 0 to 5%						

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
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Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	Annual Charge	621,499		621,499	
3					
4	Public Service Commission of Kentucky				
5	2003 Rate Case		195,285	195,285	
6	2003 ESM Audit		31,959	31,959	
7	2003 Management Audit		81,995	81,995	
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46	TOTAL	621,499	309,239	930,738	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
REGULATORY COMMISSION EXPENSES (Continued)							
3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.							
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.							
5. Minor items (less than \$25,000) may be grouped.							
EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
Electric	928	621,499					1
							2
							3
							4
Electric	928	195,285					5
Electric	928	31,959					6
Electric	928	81,995					7
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		930,738					46

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES			
<p>1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).</p> <p>2. Indicate in column (a) the applicable classification, as shown below:</p>			
<p>Classifications:</p> <p>A. Electric R, D & D Performed Internally:</p> <p>(1) Generation</p> <p style="margin-left: 20px;">a. hydroelectric</p> <p style="margin-left: 40px;">i. Recreation fish and wildlife</p> <p style="margin-left: 40px;">ii Other hydroelectric</p> <p style="margin-left: 20px;">b. Fossil-fuel steam</p> <p style="margin-left: 20px;">c. Internal combustion or gas turbine</p> <p style="margin-left: 20px;">d. Nuclear</p> <p style="margin-left: 20px;">e. Unconventional generation</p> <p style="margin-left: 20px;">f. Siting and heat rejection</p> <p>(2) Transmission</p> <p style="margin-left: 200px;">a. Overhead</p> <p style="margin-left: 200px;">b. Underground</p> <p style="margin-left: 20px;">(3) Distribution</p> <p style="margin-left: 20px;">(4) Regional Transmission and Market Operation</p> <p style="margin-left: 20px;">(5) Environment (other than equipment)</p> <p style="margin-left: 20px;">(6) Other (Classify and include items in excess of \$5,000.)</p> <p style="margin-left: 20px;">(7) Total Cost Incurred</p> <p>B. Electric, R, D & D Performed Externally:</p> <p style="margin-left: 20px;">(1) Research Support to the electrical Research Council or the Electric Power Research Institute</p>			
Line No.	Classification (a)	Description (b)	
1	EPRI B(1)	2007 Participation, Ohio River Research TC Dollars, TC Aerosol Emissions	
2	Edison Electric Institute B(2)	Year 2007 Utility Air Regulatory Group fees	
3	Schmidt Consulting Services B(4)	E.ON Surveys, Market Research and Studies	
4	JD Power and Associates B(4)	JDP Residential Electric Study of Oversample Charges	
5	Apogee Interactive B(4)	Software Subscription	
6	Guideline B(4)	Research Services	
7	Management Consulting B(4)	SME Study Analysis	
8	Chartwell Inc B(4)	Chartwell Research Services	
9	Other B(4)	Various	
10	Total Cost		
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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)					
<p>(2) Research Support to Edison Electric Institute (3) Research Support to Nuclear Power Groups (4) Research Support to Others (Classify) (5) Total Cost Incurred</p> <p>3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.</p> <p>4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)</p> <p>5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.</p> <p>6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."</p> <p>7. Report separately research and related testing facilities operated by the respondent.</p>					
Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
	1,009,620	930	1,009,620		1
	104,790	921	104,790		2
	101,100	930	101,100		3
	40,500	930	40,500		4
	16,750	930	16,750		5
	9,600	930	9,600		6
	8,295	930	8,295		7
	5,247	930	5,247		8
	219	930	219		9
	1,296,121		1,296,121		10
					11
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
DISTRIBUTION OF SALARIES AND WAGES				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	12,848,679		
4	Transmission	320,520		
5	Regional Market			
6	Distribution	6,143,354		
7	Customer Accounts	4,110,913		
8	Customer Service and Informational	1,326		
9	Sales			
10	Administrative and General	155,934		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	23,580,726		
12	Maintenance			
13	Production	10,407,448		
14	Transmission	362,421		
15	Regional Market			
16	Distribution	4,726,026		
17	Administrative and General	180,746		
18	TOTAL Maintenance (Total of lines 13 thru 17)	15,676,641		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	23,256,127		
21	Transmission (Enter Total of lines 4 and 14)	682,941		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	10,869,380		
24	Customer Accounts (Transcribe from line 7)	4,110,913		
25	Customer Service and Informational (Transcribe from line 8)	1,326		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	336,680		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	39,257,367	9,237,694	48,495,061
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminating and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	39,257,367	9,237,694	48,495,061	
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	12,273,772	7,296,610	19,570,382	
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	12,273,772	7,296,610	19,570,382	
72	Plant Removal (By Utility Departments)				
73	Electric Plant	756,942	313,888	1,070,830	
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	756,942	313,888	1,070,830	
77	Other Accounts (Specify, provide details in footnote):				
78	Accounts Receivable (work done for others)	772,191	160,114	932,305	
79	Certain Civic, Political and Related Activities and Other	63,576	11,964	75,540	
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95	TOTAL Other Accounts	835,767	172,078	995,881	
96	TOTAL SALARIES AND WAGES	53,123,848	17,020,270	70,132,154	

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Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 95 Column: d

Software does not foot correctly. Subtotal for Other Accounts in column(d) should be 1,007,845.

Schedule Page: 354 Line No.: 96 Column: d

Software does not foot correctly. Total Salaries and Wages in column(d) should be 70,144,118.

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS					
1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	69,358	600,671	3,258,455	4,907,464
3	Net Sales (Account 447)	1,485,825	2,179,566	2,226,198	2,834,344
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
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45					
46	TOTAL	1,555,183	2,780,237	5,484,653	7,741,808

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 397 Line No.: 2 Column: b

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the purchase amount recorded in accordance with FERC Order No. 668-A would have been \$66,554.

Schedule Page: 397 Line No.: 2 Column: c

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the purchase amount recorded in accordance with FERC Order No. 668-A would have been \$566,729.

Schedule Page: 397 Line No.: 2 Column: d

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the purchase amount recorded in accordance with FERC Order No. 668-A would have been \$3,220,491.

Schedule Page: 397 Line No.: 2 Column: e

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the purchase amount recorded in accordance with FERC Order No. 668-A would have been \$4,855,408.

Schedule Page: 397 Line No.: 3 Column: b

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the sale amount recorded in accordance with FERC Order No. 668-A would have been \$1,486,210.

Schedule Page: 397 Line No.: 3 Column: c

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the sale amount recorded in accordance with FERC Order No. 668-A would have been \$2,179,451.

Schedule Page: 397 Line No.: 3 Column: d

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the sale amount recorded in accordance with FERC Order No. 668-A would have been \$2,225,381.

Schedule Page: 397 Line No.: 3 Column: e

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	/ /	2007/Q4
FOOTNOTE DATA			

not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the sale amount recorded in accordance with FERC Order No. 668-A would have been \$2,833,004.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4		
PURCHASES AND SALES OF ANCILLARY SERVICES							
Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.							
In columns for usage, report usage-related billing determinant and the unit of measure.							
(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.							
(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.							
(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.							
(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.							
(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.							
(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.							
		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	1,280,058	MWH	33,135	2,597,406	MWH	37,324
2	Reactive Supply and Voltage	1,280,058	MWH	278,418	2,597,406	MWH	538,036
3	Regulation and Frequency Response						
4	Energy Imbalance			-2	16	MWH	2,061
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other			745			
8	Total (Lines 1 thru 7)	2,560,116		312,296	5,194,828		577,421

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2007/Q4
FOOTNOTE DATA			

Schedule Page: 398 Line No.: 7 Column: b

Amounts are not associated with number of units or a unit of measure.

Schedule Page: 398 Line No.: 7 Column: d

Non-firm Transmission Energy Purchase	\$ 432
Black Start Service	313

Total	\$ 745

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2007/Q4				
MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM:										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	5,070	31	800	4,178	514	80		144	154
2	February	5,066	5	800	4,253	507	80		72	154
3	March	4,114	6	800	3,427	394	80		72	141
4	Total for Quarter 1	14,250			11,858	1,415	240		288	449
5	April	3,655	30	1800	3,001	337	80		72	165
6	May	4,185	30	1600	3,573	260	80		72	210
7	June	4,367	27	1600	3,724	279	80		72	212
8	Total for Quarter 2	12,207			10,298	866	240		216	587
9	July	4,551	18	1500	3,776	402	80		72	221
10	August	5,170	9	1600	4,333	446	80		72	239
11	September	4,552	4	1700	3,886	371			72	223
12	Total for Quarter 3	14,273			11,995	1,219	160		216	683
13	October	4,137	8	1600	3,592	261	17		72	195
14	November	4,072	30	800	3,475	377	17		72	131
15	December	4,279	17	800	3,688	440	17			134
16	Total for Quarter 4	12,488			10,755	1,078	51		144	460
17	Total Year to Date/Year	53,218			44,906	4,578	691		864	2,179

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 400 Line No.: 1 Column: b

4,662 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 1 Column: e

4,167 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 1 Column: f

495 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 1 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 1 Column: i

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 1 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 2 Column: b

4,740 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 2 Column: e

4,244 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 2 Column: f

496 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 2 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 2 Column: i

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Schedule Page: 400 Line No.: 2 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 3 Column: b

3,812 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 3 Column: e

3,418 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 3 Column: f

394 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 3 Column: g

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 3 Column: i

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Schedule Page: 400 Line No.: 3 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 5 Column: b

3,332 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 5 Column: e

2,992 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 5 Column: f

340 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 5 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 5 Column: i

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 5 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 6 Column: b

3,810 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 6 Column: e

3,562 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 6 Column: f

248 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 6 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 6 Column: i

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 6 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 7 Column: b

3,992 was previously reported, which excluded reservations and other service. Such

Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 7 Column: e

3,712 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 7 Column: f

280 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 7 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 7 Column: i

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 7 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 9 Column: b

4,165 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 9 Column: e

3,767 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 9 Column: f

398 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 9 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 9 Column: i

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 9 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 10 Column: b

4,763 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 10 Column: e

4,323 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 10 Column: f

440 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 10 Column: g

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 10 Column: i

FERC FORM NO. 1 (ED. 12-87)

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Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 10 Column: j

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 11 Column: b

4,237 was previously reported, which excluded reservations and other service. Such amounts were added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 11 Column: e

3,876 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 11 Column: f

361 was previously reported, based on generation data available at the time to calculate load.

Schedule Page: 400 Line No.: 11 Column: i

Zero was previously reported. Amount added based on the January 18, 2008 NOPR (Docket RM08-5-000) which provided clarity that this data should allow for the calculation of rates.

Schedule Page: 400 Line No.: 11 Column: j

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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	19,584,464
3	Steam	17,251,076	23	Requirements Sales for Resale (See instruction 4, page 311.)	2,058,905
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	1,581,503
5	Hydro-Conventional	35,068	25	Energy Furnished Without Charge	48
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	16,734
7	Other	634,068	27	Total Energy Losses	1,429,282
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	24,670,936
9	Net Generation (Enter Total of lines 3 through 8)	17,920,212			
10	Purchases	6,650,586			
11	Power Exchanges:				
12	Received	25,345			
13	Delivered	451			
14	Net Exchanges (Line 12 minus line 13)	24,894			
15	Transmission For Other (Wheeling)				
16	Received	2,597,406			
17	Delivered	2,522,142			
18	Net Transmission for Other (Line 16 minus line 17)	75,264			
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	24,670,936			

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MONTHLY PEAKS AND OUTPUT						
<p>(1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on line 2 by month the system's output in Megawatt hours for each month.</p> <p>(3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>(4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>(5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.</p>						
NAME OF SYSTEM: KU						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	2,400,909	310,736	4,178	31	08:00 AM
30	February	2,287,994	182,842	4,300	6	08:00 AM
31	March	1,943,557	135,447	3,438	5	08:00 AM
32	April	1,759,686	60,358	3,198	9	07:00 AM
33	May	1,888,455	86,311	3,573	30	03:00 PM
34	June	2,029,806	95,697	3,727	27	03:00 PM
35	July	2,105,955	115,918	3,844	9	03:00 PM
36	August	2,359,492	48,200	4,344	9	03:00 PM
37	September	1,926,423	79,209	3,886	4	05:00 PM
38	October	1,890,809	156,403	3,623	8	03:00 PM
39	November	1,857,196	107,718	3,475	30	08:00 AM
40	December	2,220,654	202,664	3,688	17	08:00 AM
41	TOTAL	24,670,936	1,581,503			

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of <u>2007/Q4</u>	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.							
Line No.	Item (a)	Plant Name: <i>Tyrone</i> (b)			Plant Name: <i>Green River</i> (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)		Steam			Steam	
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		Conventional			Conventional	
3	Year Originally Constructed		1947			1950	
4	Year Last Unit was Installed		1971			1959	
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		75.00			189.00	
6	Net Peak Demand on Plant - MW (60 minutes)		80			186	
7	Plant Hours Connected to Load		7222			7832	
8	Net Continuous Plant Capability (Megawatts)		71			163	
9	When Not Limited by Condenser Water		71			163	
10	When Limited by Condenser Water		0			0	
11	Average Number of Employees		26			68	
12	Net Generation, Exclusive of Plant Use - KWh		389803000			996720000	
13	Cost of Plant: Land and Land Rights		53142			30764	
14	Structures and Improvements		6124162			9999931	
15	Equipment Costs		18900302			54658361	
16	Asset Retirement Costs		246752			1074377	
17	Total Cost		25324358			65763433	
18	Cost per KW of Installed Capacity (line 17/5) Including		337.6581			347.9547	
19	Production Expenses: Oper, Supv, & Engr		672096			257383	
20	Fuel		14998465			21969251	
21	Coolants and Water (Nuclear Plants Only)		0			0	
22	Steam Expenses		544569			1386719	
23	Steam From Other Sources		0			0	
24	Steam Transferred (Cr)		0			0	
25	Electric Expenses		275137			1079258	
26	Misc Steam (or Nuclear) Power Expenses		283657			703561	
27	Rents		0			0	
28	Allowances		81052			481762	
29	Maintenance Supervision and Engineering		226151			968945	
30	Maintenance of Structures		247474			442878	
31	Maintenance of Boiler (or reactor) Plant		910859			2847135	
32	Maintenance of Electric Plant		278177			342211	
33	Maintenance of Misc Steam (or Nuclear) Plant		74435			133371	
34	Total Production Expenses		18590072			30612474	
35	Expenses per Net KWh		0.0477			0.0307	
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal			Coal		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	tons			tons		
38	Quantity (Units) of Fuel Burned	199026	0	0	484454	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	12658	0	0	11996	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	68.110	0.000	0.000	44.020	0.000	0.000
41	Average Cost of Fuel per Unit Burned	69.290	0.000	0.000	43.690	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	2.970	0.000	0.000	1.867	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.038	0.000	0.000	0.022	0.000	0.000
44	Average BTU per KWh Net Generation	12974.000	0.000	0.000	11681.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)					
<p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p>					
Plant Name: <i>EW Brown</i> (d)	Plant Name: <i>Ghent</i> (e)	Plant Name: <i>Haefling</i> (f)	Line No.		
Steam	Steam	Combustion Turbine	1		
Conventional	Conventional	Outdoor	2		
1957	1973	1970	3		
1971	1984	1970	4		
740.00	2226.00	62.00	5		
708	1822	0	6		
7549	7139	10	7		
697	1911	36	8		
697	1911	36	9		
0	0	36	10		
142	215	0	11		
3904325000	11960228000	-224000	12		
899869	9842885	434853	13		
26851947	129838332	0	14		
210074836	1201379607	4909804	15		
3246981	4658997	0	16		
241073633	1345719821	5344657	17		
325.7752	604.5462	86.2041	18		
1206208	1749310	0	19		
96551523	269008076	63476	20		
0	0	0	21		
2068978	5982849	0	22		
0	0	0	23		
0	0	0	24		
1458362	2783506	8233	25		
1914313	4381121	0	26		
0	0	0	27		
1087516	964195	0	28		
1364990	2392627	0	29		
1376268	2970308	0	30		
6076349	17566469	0	31		
3844105	6093612	47222	32		
456888	400597	0	33		
117405500	314292670	118931	34		
0.0301	0.0263	-0.5309	35		
Coal	Coal	Gas	Oil	36	
tons	tons	mcf	barrels	37	
1657882	5304761	5659	197	38	
12253	11938	1025	1163	39	
57.980	61.540	0.000	10.288	26.635	40
56.810	49.500	0.000	10.288	26.635	41
2.373	2.120	0.000	10.034	4.521	42
0.025	0.025	0.000	-0.383	-0.073	43
10420.000	10610.000	0.000	-38171.000	-16153.000	44

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)						
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.						
Line No.	Item (a)	Plant Name: <i>Brown CT</i> (b)	Plant Name: <i>Paddy's Run 13 CT</i> (c)			
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Combustion Turbine	Combustion Turbine			
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional			
3	Year Originally Constructed	1994	2001			
4	Year Last Unit was Installed	2001	2001			
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	781.00	84.00			
6	Net Peak Demand on Plant - MW (60 minutes)	673	64			
7	Plant Hours Connected to Load	317	165			
8	Net Continuous Plant Capability (Megawatts)	670	74			
9	When Not Limited by Condenser Water	670	74			
10	When Limited by Condenser Water	670	74			
11	Average Number of Employees	0	0			
12	Net Generation, Exclusive of Plant Use - KWh	136531000	31155000			
13	Cost of Plant: Land and Land Rights	275012	0			
14	Structures and Improvements	11891044	1910328			
15	Equipment Costs	233864909	28148298			
16	Asset Retirement Costs	70990	0			
17	Total Cost	246101955	30058628			
18	Cost per KW of Installed Capacity (line 17/5) Including	315.1113	357.8408			
19	Production Expenses: Oper, Supv, & Engr	74616	0			
20	Fuel	14590317	2498526			
21	Coolants and Water (Nuclear Plants Only)	0	0			
22	Steam Expenses	0	0			
23	Steam From Other Sources	0	0			
24	Steam Transferred (Cr)	0	0			
25	Electric Expenses	3144	0			
26	Misc Steam (or Nuclear) Power Expenses	136383	459			
27	Rents	0	0			
28	Allowances	0	0			
29	Maintenance Supervision and Engineering	42895	0			
30	Maintenance of Structures	150424	0			
31	Maintenance of Boiler (or reactor) Plant	0	0			
32	Maintenance of Electric Plant	2296888	95722			
33	Maintenance of Misc Steam (or Nuclear) Plant	252060	0			
34	Total Production Expenses	17546727	2594707			
35	Expenses per Net KWh	0.1285	0.0833			
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil	Gas		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	mcf	barrels	mcf		
38	Quantity (Units) of Fuel Burned	0	1725234	14120	0	324553
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	1025	140000	0	1025
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	7.825	77.221	0.000	7.698
41	Average Cost of Fuel per Unit Burned	0.000	7.825	77.221	0.000	7.698
42	Average Cost of Fuel Burned per Million BTU	0.000	7.634	13.133	0.000	7.511
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.104	0.167	0.000	0.080
44	Average BTU per KWh Net Generation	0.000	13601.000	12743.000	0.000	10678.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)									
<p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p>									
Plant Name: Trimble County CT (d)	Plant Name: XXXXXXXXXX (e)	Plant Name: (f)							Line No.
Combustion Turbine								1	
Conventional								2	
2002								3	
2004								4	
784.00			0.00				0.00	5	
613			0				0	6	
1014			0				0	7	
630			0				0	8	
630			0				0	9	
630			0				0	10	
0			0				0	11	
466606000			0				0	12	
19912			0				0	13	
21745929			0				0	14	
194319647			0				0	15	
0			0				0	16	
216085488			0				0	17	
275.6192			0.0000				0.0000	18	
0			0				0	19	
40439051			0				0	20	
0			0				0	21	
0			0				0	22	
0			0				0	23	
0			0				0	24	
710270			0				0	25	
-788			0				0	26	
0			0				0	27	
0			0				0	28	
0			0				0	29	
0			0				0	30	
0			0				0	31	
536133			0				0	32	
0			0				0	33	
41684666			0				0	34	
0.0893			0.0000				0.0000	35	
	Gas							36	
	mcf							37	
0	5232978	0	0	0	0	0	0	38	
0	1025	0	0	0	0	0	0	39	
0.000	7.728	0.000	0.000	0.000	0.000	0.000	0.000	40	
0.000	7.728	0.000	0.000	0.000	0.000	0.000	0.000	41	
0.000	7.539	0.000	0.000	0.000	0.000	0.000	0.000	42	
0.000	0.087	0.000	0.000	0.000	0.000	0.000	0.000	43	
0.000	11495.000	0.000	0.000	0.000	0.000	0.000	0.000	44	

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)						
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Line No.	Item (a)	Plant Name: (b)	Plant Name: (c)			
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)					
2	Type of Constr (Conventional, Outdoor, Boiler, etc)					
3	Year Originally Constructed					
4	Year Last Unit was Installed					
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)			0.00		0.00
6	Net Peak Demand on Plant - MW (60 minutes)			0		0
7	Plant Hours Connected to Load			0		0
8	Net Continuous Plant Capability (Megawatts)			0		0
9	When Not Limited by Condenser Water			0		0
10	When Limited by Condenser Water			0		0
11	Average Number of Employees			0		0
12	Net Generation, Exclusive of Plant Use - KWh			0		0
13	Cost of Plant: Land and Land Rights			0		0
14	Structures and Improvements			0		0
15	Equipment Costs			0		0
16	Asset Retirement Costs			0		0
17	Total Cost			0		0
18	Cost per KW of Installed Capacity (line 17/5) Including			0.0000		0.0000
19	Production Expenses: Oper, Supv, & Engr			0		0
20	Fuel			0		0
21	Coolants and Water (Nuclear Plants Only)			0		0
22	Steam Expenses			0		0
23	Steam From Other Sources			0		0
24	Steam Transferred (Cr)			0		0
25	Electric Expenses			0		0
26	Misc Steam (or Nuclear) Power Expenses			0		0
27	Rents			0		0
28	Allowances			0		0
29	Maintenance Supervision and Engineering			0		0
30	Maintenance of Structures			0		0
31	Maintenance of Boiler (or reactor) Plant			0		0
32	Maintenance of Electric Plant			0		0
33	Maintenance of Misc Steam (or Nuclear) Plant			0		0
34	Total Production Expenses			0		0
35	Expenses per Net KWh			0.0000		0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)					
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)					
38	Quantity (Units) of Fuel Burned	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	0.000	0.000

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4				
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)									
<p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p>									
Plant Name:	(d)	Plant Name:	(e)	Plant Name:	(f)	Line No.			
						1			
						2			
						3			
						4			
	0.00		0.00		0.00	5			
	0		0		0	6			
	0		0		0	7			
	0		0		0	8			
	0		0		0	9			
	0		0		0	10			
	0		0		0	11			
	0		0		0	12			
	0		0		0	13			
	0		0		0	14			
	0		0		0	15			
	0		0		0	16			
	0		0		0	17			
	0.0000		0.0000		0.0000	18			
	0		0		0	19			
	0		0		0	20			
	0		0		0	21			
	0		0		0	22			
	0		0		0	23			
	0		0		0	24			
	0		0		0	25			
	0		0		0	26			
	0		0		0	27			
	0		0		0	28			
	0		0		0	29			
	0		0		0	30			
	0		0		0	31			
	0		0		0	32			
	0		0		0	33			
	0		0		0	34			
	0.0000		0.0000		0.0000	35			
						36			
						37			
0	0	0	0	0	0	0	0	0	38
0	0	0	0	0	0	0	0	0	39
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
Kentucky Utilities Company			
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 11 Column: f

There are no production/operation employees directly assigned to the Haefling CT's. Employees from the Tyrone Plant operate these CT's.

Schedule Page: 402 Line No.: 17 Column: b

Tyrone Units 1 and 2 were retired February 26, 2007.

Schedule Page: 402.1 Line No.: -1 Column: e

Pineville Generating Station is fully retired. However, land and ashpond equipment amounting to \$312,711 remain on the books.

Schedule Page: 402.1 Line No.: 5 Column: b

The Nameplate Rating for Brown CT represents a 47% ownership of unit #5, a 123 MW unit, and 62% ownership of units #6 and #7 each being a 177 MW unit. The remaining 53% ownership of unit #5, and 38% ownership of units #6 and #7 are owned by Louisville Gas and Electric Company.

Schedule Page: 402.1 Line No.: 5 Column: c

The Nameplate Rating for Paddy's Run 13 CT represents a 47% ownership. Total Nameplate Rating for the unit is 178 MW. The remaining 53% ownership is owned by Louisville Gas and Electric Company.

Schedule Page: 402.1 Line No.: 5 Column: d

The Nameplate Rating for Trimble County CT represents 71% ownership of Units #5 and #6 and 63% of Units #7, #8, #9 and #10 with a Nameplate Rating of 199 MW per unit. The remaining 29% ownership of Units #5 and #6 and 37% ownership of Units #7, #8, #9, and #10 are owned by Louisville Gas and Electric Company.

Schedule Page: 402.1 Line No.: 11 Column: b

Employees at the Brown Plant include those assigned to the steam plant and the Brown CT site and are reflected in the Brown Steam Plant statistics.

Schedule Page: 402.1 Line No.: 11 Column: c

There are no production/operation employees directly assigned to the Paddy's Run CT's.

Schedule Page: 402.1 Line No.: 11 Column: d

Employees at the Trimble County Plant include those assigned to the steam plant and the Trimble County CT site and are reflected in the Trimble County Steam Plant statistics.

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)				
<p>1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give that which is available specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.</p>				
Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Dix Dam (b)	FERC Licensed Project No. 0 Plant Name: (c)	
1	Kind of Plant (Run-of-River or Storage)	Storage		
2	Plant Construction type (Conventional or Outdoor)	Conventional		
3	Year Originally Constructed	1923		
4	Year Last Unit was Installed	1924		
5	Total installed cap (Gen name plate Rating in MW)	28.00	0.00	
6	Net Peak Demand on Plant-Megawatts (60 minutes)	16	0	
7	Plant Hours Connect to Load	2,410	0	
8	Net Plant Capability (in megawatts)			
9	(a) Under Most Favorable Oper Conditions	24	0	
10	(b) Under the Most Adverse Oper Conditions	0	0	
11	Average Number of Employees	21	0	
12	Net Generation, Exclusive of Plant Use - Kwh	35,068,000	0	
13	Cost of Plant			
14	Land and Land Rights	879,312	0	
15	Structures and Improvements	453,196	0	
16	Reservoirs, Dams, and Waterways	0	0	
17	Equipment Costs	9,636,617	0	
18	Roads, Railroads, and Bridges	0	0	
19	Asset Retirement Costs	4,970	0	
20	TOTAL cost (Total of 14 thru 19)	10,974,095	0	
21	Cost per KW of Installed Capacity (line 20 / 5)	391.9320	0.0000	
22	Production Expenses			
23	Operation Supervision and Engineering	8,950	0	
24	Water for Power	0	0	
25	Hydraulic Expenses	0	0	
26	Electric Expenses	0	0	
27	Misc Hydraulic Power Generation Expenses	30,470	0	
28	Rents	0	0	
29	Maintenance Supervision and Engineering	107,573	0	
30	Maintenance of Structures	144,686	0	
31	Maintenance of Reservoirs, Dams, and Waterways	0	0	
32	Maintenance of Electric Plant	197,756	0	
33	Maintenance of Misc Hydraulic Plant	5,459	0	
34	Total Production Expenses (total 23 thru 33)	494,894	0	
35	Expenses per net KWh	0.0141	0.0000	

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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)					
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."					
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.					
FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)			Line No.
					1
					2
					3
					4
0.00	0.00			0.00	5
0	0			0	6
0	0			0	7
					8
0	0			0	9
0	0			0	10
0	0			0	11
0	0			0	12
					13
0	0			0	14
0	0			0	15
0	0			0	16
0	0			0	17
0	0			0	18
0	0			0	19
0	0			0	20
0.0000	0.0000			0.0000	21
					22
0	0			0	23
0	0			0	24
0	0			0	25
0	0			0	26
0	0			0	27
0	0			0	28
0	0			0	29
0	0			0	30
0	0			0	31
0	0			0	32
0	0			0	33
0	0			0	34
0.0000	0.0000			0.0000	35

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4			
TRANSMISSION LINE STATISTICS								
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>								
Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Pocket	Pineville	500.00	500.00	ST	35.48		
2	Pocket	Phipps Bend	500.00	500.00	ST	21.39		
3								
4	Ghent Plant	Brown North	345.00	345.00	ST	113.87		
5	Ghent Plant	Batesville	345.00	345.00	ST	7.32		
6	Brown Plant	Elmer Smith	345.00	345.00	HF & ST	135.31		
7	Brown North	K.U. Park	345.00	345.00	ST	102.47		2
8								
9	Green River	AEC Buss	161.00	161.00	HF, ST & WP	181.29		
10	Green River	Morganfield	161.00	161.00	HF & WP	55.38		
11	Elihu	Dorchester	161.00	161.00	HF & ST	86.06		
12	Lake Reba	Dorchester	161.00	161.00	HF & ST	99.15		1
13	Pineville	Harlan	161.00	161.00	HF & WP	48.34		
14	Pineville 149	Pineville 192	161.00	161.00	HF	0.12		1
15	East Ky. Power	Taylor County	161.00	161.00	SP	3.97		1
16	Imboden	Harlan	161.00	161.00	HF, SP, WP &	43.82		
17								
18	Ghent Plant	Brown Plant	138.00	138.00	ST	90.47		
19	Brown Plant	Green River	138.00	138.00	HF, SP & ST	169.18		
20	Kenton	Rodburn	138.00	138.00	HF	45.74		1
21	Green River	Brown North	138.00	138.00	HF & ST	166.58		
22	Fawkes	Rodburn	138.00	138.00	HF, ST & WP	64.52		1
23	Clifty Creek	Carrollton	138.00	138.00	HF, SP, ST &	144.62		
24	Brown Plant	Lake Reba	138.00	138.00	HF	28.60		1
25	Brown Plant	Haelling	138.00	138.00	HF, SP, ST &	29.32		
26	Ghent Plant	Kenton Station	138.00	138.00	HF & WF	72.78		1
27	Ghent Plant	Adams	138.00	138.00	HF, SP & ST	56.77		
28	Hardin County	Rogersville	138.00	138.00	HF	10.24		1
29								
30	69KV Lines		69.00	69.00	Various	2,217.27		
31								
32								
33								
34	Exp Applicable to All Lines							
35								
36					TOTAL	4,030.06		10

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TRANSMISSION LINE STATISTICS (Continued)								
<p>7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)</p> <p>8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.</p> <p>9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.</p> <p>10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.</p>								
Size of Conductor and Material (f)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
954mcm	1,385,561	15,452,581	16,838,142					1
954mcm	280,371	7,945,173	8,225,544					2
								3
795mcm	2,495,681	16,982,353	19,478,034					4
954mcm	437,159	4,810,707	5,247,866					5
954mcm	1,615,764	17,192,915	18,808,679					6
954mcm	1,111,580	21,486,959	22,598,539					7
								8
556mcm	1,284,447	10,989,511	12,273,958					9
556mcm	288,660	2,128,791	2,397,451					10
556mcm	270,147	3,982,619	4,252,766					11
556mcm	559,988	3,999,719	4,559,707					12
795mcm	300,849	6,011,864	6,312,713					13
954mcm		14,306	14,306					14
556mcm	261,988	307,188	569,176					15
795mcm	84,143	4,559,920	4,644,063					16
								17
954mcm	419,701	5,830,853	6,250,554					18
556mcm	381,153	6,802,995	7,184,148					19
397mcm	98,119	1,278,109	1,376,228					20
795mcm	732,412	7,732,458	8,464,870					21
556mcm	579,168	2,079,133	2,658,301					22
795mcm	824,816	9,785,436	10,610,252					23
556mcm	80,240	939,319	1,019,559					24
795mcm	191,989	4,287,735	4,479,724					25
795mcm	446,858	3,672,260	4,119,118					26
795mcm	245,501	5,164,092	5,409,593					27
795mcm	245,093	919,472	1,164,565					28
								29
Various	8,202,312	124,439,048	132,641,360					30
								31
								32
								33
				400,237	3,515,529	56,986	3,972,752	34
								35
	22,803,700	288,795,516	311,599,216	400,237	3,515,529	56,986	3,972,752	36

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Name of Respondent Kentucky Utilities Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 422 Line No.: 1 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 2 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 4 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 5 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 6 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 9 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 10 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 11 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 13 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 16 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 18 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 19 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 21 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 23 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 25 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 27 Column: h Contains both single and double circuitry.
Schedule Page: 422 Line No.: 30 Column: h Contains both single and double circuitry.

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Adams - Georgetown	Transmission *	138.00	69.00	13.20
2	Alcade - Somerset	Transmission *	345.00	161.00	13.20
3	American Ave. - Lexington	Transmission *	138.00	69.00	13.20
4	Arnold - Cumberland	Transmission *	161.00	69.00	13.20
5	Artemus - Pineville	Transmission *	161.00	69.00	13.20
6	Bardstown- Campellsville	Transmission *	138.00	69.00	13.20
7	Beattyville - Richmond	Transmission *	161.00	69.00	13.20
8	Bimble	Transmission*	69.00		
9	Blackwell	Transmission*	138.00		
10	Bonds Mill	Transmission*	69.00		
11	Bonnieville - Horse Cave	Transmission *	138.00	69.00	13.20
12	Boonesboro North - Winchester	Transmission *	138.00	69.00	13.20
13	Boyle County	Transmission*	69.00		
14	Broadhead SW	Transmission*	69.00		
15	Brown CT 7 - Harrodsburg	Transmission (G)	145.00	18.00	
16	Brown CT 6 - Harrodsburg	Transmission (G)	145.00	13.80	
17	Brown North - Harrodsburg	Transmission *	345.00	138.00	13.20
18	Brown North - Harrodsburg	Transmission *	144.00	24.00	
19	Brown Plant - Harrodsburg	Transmission (G)	138.00	13.20	
20	Brown Plant - Harrodsburg	Transmission (G)	138.00	17.10	
21	Carntown - Augusta	Transmission *	138.00	69.00	13.20
22	Carrollton - Carrollton	Transmission *	138.00	69.00	13.20
23	Cary SW	Transmission*	69.00		
24	Clark County - Winchester	Transmission *	138.00	69.00	13.20
25	Clinton	Transmission*	69.00		
26	Corydon - Henderson	Transmission *	161.00	69.00	13.20
27	Crittendon County - Marion	Transmission *	161.00	69.00	13.20
28	Cynthiana SW	Transmission*	69.00		
29	Danville North - Danville	Transmission *	138.00	69.00	13.20
30	Delvinta	Transmission*	161.00		
31	Dix Dam Plant - Harrodsburg	Transmission (G)	69.00	13.20	
32	Dow Coming West	Transmission*	138.00		
33	Dorchester - Norton	Transmission *	161.00	69.00	13.20
34	Earlington North - Earlington	Transmission *	161.00	69.00	13.20
35	East Frankfort - Frankfort	Transmission *	138.00	69.00	13.20
36	Elihu - Somerset	Transmission *	161.00	69.00	13.20
37	Elizabethtown - Elizabethtown	Transmission *	138.00	69.00	13.20
38	Eminence	Transmission*	69.00		
39	Everts	Transmission*	69.00		
40	Farley - Corbin	Transmission *	161.00	69.00	13.20

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SUBSTATIONS (Continued)						
5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
94	1		NONE			1
448	1		NONE			2
150	1		NONE			3
56	1		NONE			4
56	1		NONE			5
94	1		NONE			6
56	1		NONE			7
			NONE			8
			NONE			9
			NONE			10
34	1		NONE			11
150	1		NONE			12
			NONE			13
			NONE			14
380	2		NONE			15
728	5		NONE			16
448	1		NONE			17
504	1		NONE			18
120	1		NONE			19
185	1		NONE			20
50	1		NONE			21
187	2		NONE			22
			NONE			23
93	1		NONE			24
			NONE			25
112	1		NONE			26
112	1		NONE			27
			NONE			28
112	1		NONE			29
			NONE			30
31	3		NONE			31
			NONE			32
187	2		NONE			33
224	1		NONE			34
224	2		NONE			35
187	2		NONE			36
150	1		NONE			37
			NONE			38
			NONE			39
149	1		NONE			40

Name of Respondent		This Report is:		Date of Report	Year/Period of Report	
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	End of 2007/Q4	
SUBSTATIONS						
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>						
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)			
			Primary (c)	Secondary (d)	Tertiary (e)	
1	Farmers - Morehead	Transmission *	80.00	40.00	13.20	
2	Fawkes - Richmond	Transmission *	138.00	69.00	13.20	
3	Finchville	Transmission*	69.00			
4	Ghent Plant - Carrollton	Transmission *	345.00	138.00		
5	Ghent Plant - Carrollton	Transmission *	345.00	138.00	25.00	
6	Ghent Plant - Carrollton	Transmission (G)	144.00	18.00		
7	Ghent Plant - Carrollton	Transmission (G)	345.00	21.00		
8	Ghent Plant - Carrollton	Transmission (G)	362.00	22.00		
9	Goddard	Transmission*	138.00			
10	Gorge SW	Transmission*	69.00			
11	Grahamville - Barlow	Transmission *	161.00	69.00	13.20	
12	Green River Plant - Greenville	Transmission (G)	138.00	13.20		
13	Green River Plant - Greenville	Transmission	138.00	69.00	13.20	
14	Green River Plant - Greenville	Transmission	154.00	138.00	13.20	
15	Green River Plant - Greenville	Transmission	161.00	138.00	13.20	
16	Green River Steel - Greenville	Transmission *	138.00	69.00	13.20	
17	Haefling - Lexington	Transmission (G)	69.00	13.20		
18	Haefling - Lexington	Transmission *	138.00	69.00	13.20	
19	Hardin County - Elizabethtown	Transmission *	345.00	138.00	13.20	
20	Hardin County - Elizabethtown	Transmission *	138.00	69.00	13.20	
21	Hardinsburg - Hardinsburg	Transmission*	138.00			
22	Harlan "Y" - Harlan	Transmission *	161.00	69.00	13.20	
23	Higby Mill - Lexington	Transmission *	138.00	69.00	13.20	
24	Hillside	Transmission*	69.00			
25	Howards Branch	Transmission*	161.00			
26	Imboden - Big Stone Gap	Transmission *	161.00	69.00	13.20	
27	Indian Hill	Transmission*	69.00			
28	Kenton - Maysville	Transmission *	132.00	69.00	13.20	
29	Kenton - Maysville	Transmission *	138.00	69.00	13.20	
30	KU Park - Pineville	Transmission*	69.00			
31	Lake Reba - Richmond	Transmission *	138.00	69.00	13.20	
32	Lake Reba Tap - Richmond	Transmission *	161.00	138.00	6.60	
33	Lancaster	Transmission*	69.00			
34	Lansdowne - Lexington	Transmission *	138.00	69.00	13.20	
35	Lebanon - Lebanon	Transmission *	80.00	40.00	13.20	
36	Leitchfield - Leitchfield	Transmission *	138.00	69.00	13.20	
37	Lexington Plant - Lexington	Transmission*	69.00			
38	Livingston County	Transmission*	161.00			
39	London - London	Transmission*	69.00			
40	Loudon Ave - Lexington	Transmission *	138.00	69.00	13.20	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4	
SUBSTATIONS (Continued)						
5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
40	3		NONE			1
299	2		NONE			2
			NONE			3
450	1	1	NONE			4
448	1		NONE			5
616	1		NONE			6
1210	2		NONE			7
605	1		NONE			8
			NONE			9
			NONE			10
93	1		NONE			11
214	2	6	NONE			12
261	2		NONE			13
200	2		NONE			14
112	1		NONE			15
93	1		NONE			16
59	1		NONE			17
149	1		NONE			18
448	1		NONE			19
149	1		NONE			20
			NONE			21
94	1		NONE			22
224	2		NONE			23
			NONE			24
			NONE			25
149	1		NONE			26
			NONE			27
33	1	1	NONE			28
112	1		NONE			29
		6	NONE			30
149	1		NONE			31
200	1		NONE			32
			NONE			33
112	1		NONE			34
100	6		NONE			35
93	1		NONE			36
			NONE			37
			NONE			38
			NONE			39
262	2		NONE			40

Name of Respondent		This Report is:		Date of Report	Year/Period of Report		
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2007/Q4		
SUBSTATIONS							
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>							
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (in MVA)				
			Primary (c)	Secondary (d)	Tertiary (e)		
1	Lynch - Harlan	Transmission*	69.00				
2	Marion	Transmission*	69.00				
3	Meldrum SW	Transmission*	69.00				
4	Middlesboro - Middlesboro	Transmission*	69.00				
5	Millersburg - Millersburg	Transmission*	69.00				
6	Morganfield - Morganfield	Transmission *	161.00	69.00	13.20		
7	N.A.S.	Transmission*	138.00				
8	Nebo - Nebo	Transmission*	69.00				
9	North London -London	Transmission*	69.00				
10	Ohio County - Beaver Dam	Transmission *	138.00	69.00	13.20		
11	Paris	Transmission *	138.00	69.00	13.20		
12	Pineville - Pineville	Transmission *	345.00	161.00	13.20		
13	Pineville - Pineville	Transmission *	500.00	345.00	34.50		
14	Pineville - Pineville	Transmission *	161.00	69.00	13.20		
15	Pineville SW -Pineville	Transmission*	161.00				
16	Pisgah - Lexington	Transmission *	138.00	69.00	13.20		
17	Pittsburg - London	Transmission *	161.00	69.00	13.20		
18	Pocket - Pennington Gap	Transmission *	161.00	69.00	13.20		
19	Pocket North - Pennington Gap	Transmission *	500.00	161.00			
20	Princeton - Princeton	Transmission*	69.00				
21	Richmond - Richmond	Transmission*	69.00				
22	River Queen - Muhlenberg	Transmission *	161.00	69.00	13.20		
23	Rocky Branch	Transmission*	69.00				
24	Rodburn - Morehead	Transmission *	138.00	69.00	13.20		
25	Rogersville - Radcliff	Transmission *	138.00	69.00	13.20		
26	Scott County	Transmission *	138.00	69.00	13.20		
27	Shelbyville - Shelbyville	Transmission*	69.00				
28	Simmons	Transmission*	69.00				
29	Somerset N - Somerset	Transmission*	69.00				
30	South Paducah	Transmission *	161.00	69.00	13.20		
31	Spears SW	Transmission*	69.00				
32	Spencer Road - Mt. Sterling	Transmission *	138.00	69.00	13.20		
33	Sweet Hollow	Transmission*	69.00				
34	Taylor County - Campellsville	Transmission *	161.00	69.00	13.20		
35	Tyrone - Versailles	Transmission (G)	40.00	13.20			
36	Tyrone - Versailles	Transmission (G)	69.00	13.20			
37	Tyrone - Versailles	Transmission *	138.00	69.00	13.20		
38	UK Medical Center - Lexington	Transmission*	69.00				
39	Virginia City - Norton	Transmission*	161.00	69.00	13.20		
40	Walker - Earlington	Transmission *	161.00	69.00	13.20		

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SUBSTATIONS (Continued)						
5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
			NONE			1
			NONE			2
			NONE			3
			NONE			4
			NONE			5
112	1		NONE			6
			NONE			7
			NONE			8
			NONE			9
93	1	3	NONE			10
150	1		NONE			11
560	1		NONE			12
504	1		NONE			13
243	2		NONE			14
			NONE			15
112	1		NONE			16
112	1		NONE			17
187	1		NONE			18
448	1		NONE			19
			NONE			20
			NONE			21
56	1		NONE			22
			NONE			23
81	1	1	NONE			24
93	1		NONE			25
93	1		NONE			26
			NONE			27
			NONE			28
			NONE			29
50	1		NONE			30
			NONE			31
89	2		NONE			32
			NONE			33
90	1		NONE			34
38	3	1	NONE			35
83	1	1	NONE			36
112	1	1	NONE			37
			NONE			38
		1	NONE			39
112	1		NONE			40

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	West Cliff - Harrodsburg	Transmission *	138.00	69.00	13.20
2	West Frankfort - Shelbyville	Transmission *	345.00	138.00	13.20
3	West Frankfort - Shelbyville	Transmission *	138.00	69.00	13.20
4	West Irvine - Irvine	Transmission *	161.00	69.00	13.20
5	West Lexington - Lexington	Transmission *	345.00	138.00	13.20
6	Wheatcroft	Transmission*	69.00		
7	Wickliffe - Barlow	Transmission *	161.00	69.00	13.20
8	Williamsburg SW	Transmission*	69.00		
9	Winchester City	Transmission*	69.00		
10	Wofford	Transmission*	69.00		
11	Total Transmission		18480.00	6227.10	937.30
12					
13	A.O. Smith - Mt. Sterling	Distribution *	69.00	12.47	
14	Adams 12KV	Distribution *	69.00	34.50	
15	Aisin 12KV	Distribution *	69.00	12.47	
16	Alexander - Versailles	Distribution *	69.00	12.47	
17	American Ave. - Lexington	Distribution *	69.00	4.16	
18	Andover - Norton	Distribution*	69.00	34.50	
19	Ashland Ave. - Lexington	Distribution *	69.00	4.16	
20	Ashland Pipe - Lexington	Distribution *	69.00	12.47	
21	Augusta 12KV	Distribution *	69.00	12.47	
22	Bardstown City 12KV	Distribution *	69.00	12.47	
23	Bardstown Ind. 12KV	Distribution *	69.00	12.47	
24	Beaver Dam - Beaver Dam	Distribution *	69.00	12.47	
25	Beaver Dam North - Beaver Dam	Distribution *	69.00	12.47	
26	Belt Line - Lexington	Distribution *	69.00	12.47	
27	Bevier - Earlington	Distribution*	69.00	34.50	
28	Big Stone Gap - Big Stone Gap	Distribution *	69.00	12.47	
29	Bond - Coeburn	Distribution *	69.00	12.47	
30	Boone Ave. - Winchester	Distribution *	69.00	12.47	
31	Borg Warner - Earlington	Distribution *	69.00	12.47	
32	Bryant Road - Lexington	Distribution *	69.00	12.47	
33	Buchanan - Lexington	Distribution *	69.00	4.16	
34	Buena Vista 12KV	Distribution *	69.00	12.47	
35	Burnside - Somerset	Distribution *	69.00	12.47	
36	Camargo - Mt. Sterling	Distribution *	69.00	12.47	
37	Campsville 1 - Campsville	Distribution *	69.00	12.47	
38	Campsville 2 - Campsville	Distribution*	69.00	12.47	
39	Carntown - Augusta	Distribution *	69.00	12.47	
40	Caron - London	Distribution *	69.00	12.47	

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SUBSTATIONS (Continued)						
5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
392	3		NONE			1
448	1		NONE			2
93	1		NONE			3
56	1		NONE			4
448	1		NONE			5
			NONE			6
93	1		NONE			7
			NONE			8
			NONE			9
			NONE			10
17223	114	22				11
						12
14	1		NONE			13
34	2		NONE			14
14	1		NONE			15
22	1		NONE			16
14	1		NONE			17
37	1		NONE			18
28	2		NONE			19
14	1		NONE			20
14	1		NONE			21
23	1		NONE			22
23	1		NONE			23
14	1		NONE			24
14	1		NONE			25
23	1		NONE			26
13	1		NONE			27
42	3		NONE			28
67	3		NONE			29
23	1		NONE			30
23	1		NONE			31
45	2		NONE			32
14	1		NONE			33
14	1		NONE			34
14	1		NONE			35
28	2		NONE			36
45	2		NONE			37
23	1		NONE			38
14	1		NONE			39
23	1		NONE			40

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2007/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Carrollton - Carrollton	Distribution *	69.00	12.47	
2	Cawood - Harlan	Distribution *	69.00	12.47	
3	Clay Mills - Lexington	Distribution *	138.00	12.47	
4	Clinch Valley - Norton	Distribution *	69.00	12.47	
5	Columbia - Columbia	Distribution *	69.00	12.47	
6	Columbia South - Columbia	Distribution *	69.00	12.47	
7	Corbin East - Corbin	Distribution *	69.00	12.47	
8	Corning 12KV	Distribution *	69.00	12.47	
9	Corporate Drive 12 2	Distribution *	69.00	12.47	
10	Cynthiana 12KV	Distribution *	69.00	12.47	
11	Cynthiana South 12KV	Distribution *	67.00	12.47	
12	Danville 1 - Danville	Distribution *	69.00	12.47	
13	Danville East - Danville	Distribution *	69.00	12.47	
14	Danville Ind. - Danville	Distribution *	69.00	12.47	
15	Danville North - Danville	Distribution *	69.00	12.47	
16	Danville West - Danville	Distribution *	69.00	12.47	
17	Dark Hollow - Richmond	Distribution *	69.00	12.47	
18	Dawson Ind. - Earlington	Distribution *	69.00	4.16	
19	Days Branch 12KV	Distribution *	69.00	12.47	
20	Dayton-Walther - Carrollton	Distribution *	138.00	12.47	
21	Delaplain - Georgetown	Distribution *	69.00	13.80	
22	Denham Street - Somerset	Distribution *	69.00	12.47	
23	Detroit Harvester - Paris	Distribution *	69.00	12.47	
24	Donerail - Lexington	Distribution *	69.00	12.47	
25	Dorchester - Norton	Distribution *	69.00	22.00	
26	Dow Corning - Carrollton	Distribution *	69.00	12.47	
27	Dozier Heights 12KV	Distribution *	69.00	12.47	
28	Earlington - Earlington	Distribution *	69.00	34.50	
29	East Bernstadt - London	Distribution *	69.00	12.47	
30	East Stone - Big Stone Gap	Distribution *	69.00	12.47	
31	Eastland - Lexington	Distribution *	69.00	12.47	
32	Elizabethtown Industrial - Elizabethtown	Distribution *	69.00	12.47	
33	Eminence - Shelbyville	Distribution *	69.00	12.47	
34	Esserville - Norton	Distribution *	69.00	12.47	
35	Etown #2 - Elizabethtown	Distribution *	69.00	12.47	
36	Etown #3 - Elizabethtown	Distribution *	69.00	12.47	
37	Etown #4 - Elizabethtown	Distribution *	69.00	12.47	
38	Etown #5 East - Elizabethtown	Distribution *	69.00	12.47	
39	Etown West - Elizabethtown	Distribution *	69.00	12.47	
40	Ewington - Mt. Sterling	Distribution *	69.00	12.47	

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SUBSTATIONS (Continued)						
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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
14	1		NONE			1
14	1		NONE			2
37	1		NONE			3
23	1		NONE			4
14	1		NONE			5
14	1		NONE			6
37	2		NONE			7
21	4		NONE			8
23	1		NONE			9
14	1		NONE			10
14	1		NONE			11
23	1		NONE			12
23	1		NONE			13
45	2		NONE			14
14	1		NONE			15
23	1		NONE			16
14	1		NONE			17
14	1		NONE			18
14	1		NONE			19
14	1		NONE			20
37	2		NONE			21
14	1		NONE			22
23	1		NONE			23
14	1		NONE			24
42	2		NONE			25
14	1		NONE			26
14	1		NONE			27
34	2		NONE			28
14	1		NONE			29
14	1		NONE			30
23	1		NONE			31
23	1		NONE			32
14	1		NONE			33
23	1		NONE			34
45	2		NONE			35
23	1		NONE			36
23	1		NONE			37
14	1		NONE			38
23	1		NONE			39
28	2		NONE			40

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Ferguson South - Somerset	Distribution *	69.00	12.47	
2	Florida Tile - Lawrenceburg	Distribution *	69.00	12.47	
3	FMC - Lexington	Distribution *	69.00	12.47	
4	Forks of Elkhorn - Georgetown	Distribution *	34.50	12.47	
5	Frankfort - Frankfort	Distribution*	69.00	34.50	
6	GE Lamp Works - Lexington	Distribution *	69.00	4.16	
7	Georgetown - Georgetown	Distribution *	69.00	12.47	
8	Green River Steel 2 12	Distribution *	69.00	12.47	
9	Greensburg - Campsville	Distribution *	69.00	12.47	
10	Greenville 12KV - Muhlenburg	Distribution *	69.00	12.47	
11	Greenville North - Muhlenburg	Distribution *	69.00	12.47	
12	Haefling - Lexington	Distribution *	138.00	12.47	
13	Haley - Lexington	Distribution *	69.00	12.47	
14	Hamblin - Pennington Gap	Distribution *	69.00	12.47	
15	Hanson - Earlington	Distribution *	69.00	12.47	
16	Hardesty - Earlington	Distribution*	69.00	34.50	
17	Harlan - Harlan	Distribution *	69.00	12.47	
18	Harlan Wye - Harlan	Distribution *	69.00	12.47	
19	Harrodsburg #2 - Harrodsburg	Distribution *	69.00	12.47	
20	Harrodsburg #3 - Harrodsburg	Distribution *	69.00	12.47	
21	Harrodsburg North 12	Distribution *	69.00	12.47	
22	Higby Mill 12KV - Lexington	Distribution *	138.00	12.47	
23	Highsplint - Harlan	Distribution *	69.00	12.47	
24	Hodgenville 12KV	Distribution *	69.00	12.47	
25	Hoover 12KV - Georgetown	Distribution *	69.00	12.47	
26	Hopewell - Corbin	Distribution *	69.00	12.47	
27	Horse Cave 12KV	Distribution *	69.00	12.47	
28	Horse Cave Industrial - Horse Cave	Distribution *	69.00	12.47	
29	Hughes Lane - Lexington	Distribution *	69.00	12.47	
30	IBM - Lexington	Distribution *	69.00	12.47	
31	IBM North 12KV	Distribution *	138.00	12.47	
32	Imboden - Norton	Distribution*	69.00	34.50	
33	Irvine - Richmond	Distribution *	69.00	12.47	
34	Joyland - Lexington	Distribution *	69.00	12.47	
35	Kawneer - Cynthiana	Distribution *	69.00	12.47	
36	Kenton - Maysville	Distribution *	69.00	12.47	
37	Kentucky River 4KV	Distribution *	69.00	4.16	
38	LaGrange East	Distribution *	69.00	12.47	
39	LaGrange - Penal - LaGrange	Distribution *	69.00	12.47	
40	Lakeshore - Lexington	Distribution *	69.00	12.47	

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5. Show in columns (i), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.						
Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
14	1		NONE			1
14	1		NONE			2
23	1		NONE			3
14	1		NONE			4
20	1		NONE			5
14	1		NONE			6
14	1		NONE			7
14	1		NONE			8
14	1		NONE			9
14	1		NONE			10
14	1		NONE			11
39	1		NONE			12
14	1		NONE			13
14	1		NONE			14
14	1		NONE			15
13	1		NONE			16
14	1		NONE			17
14	1		NONE			18
14	1		NONE			19
14	1		NONE			20
14	1		NONE			21
60	2		NONE			22
14	1		NONE			23
14	1		NONE			24
14	1		NONE			25
28	2		NONE			26
26	2		NONE			27
23	1		NONE			28
14	1		NONE			29
75	2		NONE			30
34	1		NONE			31
37	1		NONE			32
14	1		NONE			33
37	2		NONE			34
14	1		NONE			35
28	2		NONE			36
13	1		NONE			37
37	2		NONE			38
23	1		NONE			39
37	1		NONE			40

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Lancaster - Danville	Distribution*	69.00	4.16	
2	Lansdowne - Lexington	Distribution *	69.00	12.47	
3	Lawrenceburg - Lawrenceburg	Distribution *	69.00	12.47	
4	Lebanon - Lebanon	Distribution*	69.00	12.47	
5	Lebanon South 12KV - Lebanon	Distribution *	69.00	12.47	
6	Lebanon West - Lebanon	Distribution *	138.00	12.47	
7	Leitchfield 12KV - Leitchfield	Distribution *	69.00	12.47	
8	Leitchfield East - Leitchfield	Distribution *	69.00	12.47	
9	Lemons Mill - Georgetown	Distribution *	69.00	12.47	
10	Lexington Water Comapany	Distribution *	69.00	12.47	
11	Lexington 4KV - Lexington	Distribution *	69.00	4.16	
12	Liberty - Liberty	Distribution *	69.00	12.47	
13	Liberty Road - Lexington	Distribution *	69.00	12.47	
14	London - London	Distribution *	69.00	12.47	
15	Loudon Ave. - Lexington	Distribution *	138.00	12.47	
16	Madisonville GE 12KV	Distribution *	69.00	12.47	
17	Madisonville HP 12KV	Distribution *	69.00	12.47	
18	Madisonville North 4KV	Distribution *	69.00	4.16	
19	Madisonville West 12KV	Distribution *	69.00	12.47	
20	Madisonville East 12KV	Distribution *	69.00	12.47	
21	Manchester South	Distribution *	69.00	12.47	
22	Marion South - Marion	Distribution *	69.00	12.47	
23	Maysville Mid - Maysville	Distribution *	69.00	4.16	
24	McCoy Avenue 12KV	Distribution *	69.00	12.47	
25	McKee Road 12KV	Distribution *	69.00	12.47	
26	Meldrum - Middlesboro	Distribution *	69.00	12.47	
27	Metal & Thermit - Carrollton	Distribution *	69.00	12.47	
28	Middlesboro #1 12KV	Distribution *	69.00	12.47	
29	Middlesboro #2 12KV	Distribution *	69.00	12.47	
30	Midway - Versailles	Distribution *	138.00	12.47	
31	Minor Farm 12KV	Distribution *	69.00	12.47	
32	Morehead - Morehead	Distribution *	69.00	12.47	
33	Morganfield Industrial - Morganfield	Distribution *	69.00	12.47	
34	Mt. Sterling - Mt. Sterling	Distribution *	69.00	12.47	
35	Mt. Vernon - Mt. Vernon	Distribution *	69.00	12.47	
36	Muhlenburg Prison - Muhlenburg	Distribution *	69.00	12.47	
37	Norton East - Norton	Distribution *	69.00	12.47	
38	Oakhill - Earlington	Distribution*	69.00	34.50	
39	Okonite - Richmond	Distribution *	69.00	12.47	
40	Owingsville 12KV	Distribution *	69.00	12.47	

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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
14	1		NONE			1
67	2		NONE			2
40	2		NONE			3
13	1		NONE			4
13	1		NONE			5
13	1		NONE			6
13	1		NONE			7
14	1		NONE			8
28	2		NONE			9
45	2		NONE			10
28	2		NONE			11
14	1		NONE			12
37	1		NONE			13
45	2		NONE			14
37	1		NONE			15
23	1		NONE			16
14	1		NONE			17
14	3		NONE			18
23	1		NONE			19
14	1		NONE			20
14	1		NONE			21
14	1		NONE			22
14	1		NONE			23
14	1		NONE			24
14	1		NONE			25
14	1		NONE			26
14	1		NONE			27
28	2		NONE			28
28	2		NONE			29
14	1		NONE			30
14	1		NONE			31
14	1		NONE			32
14	1		NONE			33
14	1		NONE			34
14	1		NONE			35
14	1		NONE			36
14	1		NONE			37
20	1		NONE			38
14	1		NONE			39
14	1		NONE			40

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Oxford - Georgetown	Distribution *	69.00	12.47	
2	Paris - Paris	Distribution *	69.00	12.47	
3	Parker Seal 12KV - Winchester	Distribution *	69.00	12.47	
4	Parkers Mill 12KV	Distribution *	69.00	12.47	
5	Pepper Pike 12KV - Georgetown	Distribution *	34.50	12.47	
6	Picadome 12KV - Lexington	Distribution *	69.00	12.47	
7	Pineville 12KV	Distribution *	69.00	12.47	
8	Pocket - Norton	Distribution *	69.00	34.50	
9	Poor Valley - Pennington Gap	Distribution *	69.00	12.47	
10	Powderly - Muhlenburg	Distribution *	69.00	12.47	
11	Princeton - Princeton	Distribution *	69.00	34.50	
12	Proctor/Gamble 4KV	Distribution *	69.00	4.16	
13	Race Street - Lexington	Distribution *	69.00	12.47	
14	Radcliff - Radcliff	Distribution *	69.00	12.47	
15	Red House 12KV	Distribution *	69.00	12.47	
16	Reynolds - Lexington	Distribution *	138.00	12.47	
17	Richmond 12KV	Distribution *	69.00	12.47	
18	Richmond #3 12KV (EKU)	Distribution *	69.00	12.47	
19	Richmond #3 4KV (EKU)	Distribution *	69.00	12.47	
20	Richmond East	Distribution *	69.00	12.47	
21	Richmond Industrial	Distribution *	69.00	12.47	
22	Richmond South	Distribution *	69.00	12.47	
23	Rockwell - Winchester	Distribution *	69.00	12.47	
24	Rogersville - Radcliff	Distribution *	69.00	12.47	
25	Rumsey - Earlington	Distribution *	34.50	34.50	
26	Salem - Earlington	Distribution *	69.00	34.50	
27	Shannon Run 12KV	Distribution *	69.00	12.47	
28	Sharon - Augusta	Distribution *	69.00	12.47	
29	Shavers Chap 12KV	Distribution *	69.00	12.47	
30	Shelbyville North 12KV	Distribution *	69.00	12.47	
31	Shelbyville East	Distribution *	69.00	12.47	
32	Shelbyville South	Distribution *	69.00	12.47	
33	Simpsonville - Shelbyville	Distribution *	69.00	12.47	
34	Somerset #2 4KV	Distribution *	69.00	4.16	
35	Somerset #3 12KV	Distribution *	69.00	12.47	
36	Somerset South	Distribution *	69.00	12.47	
37	Springfield - Campbellsville	Distribution *	69.00	12.47	
38	St. Paul 12KV	Distribution *	69.00	12.47	
39	Stanford 12KV	Distribution *	69.00	12.47	
40	Stanford North 12KV	Distribution *	69.00	12.47	

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
14	1		NONE			1
14	1		NONE			2
23	1		NONE			3
45	2		NONE			4
14	1		NONE			5
23	1		NONE			6
28	2		NONE			7
20	1		NONE			8
14	1		NONE			9
14	1		NONE			10
13	1		NONE			11
14	1		NONE			12
14	1		NONE			13
23	1		NONE			14
14	1		NONE			15
77	2		NONE			16
45	2		NONE			17
23	1		NONE			18
14	1		NONE			19
23	1		NONE			20
23	1		NONE			21
23	1		NONE			22
23	1		NONE			23
23	1		NONE			24
13	1		NONE			25
14	1		NONE			26
14	1		NONE			27
14	1		NONE			28
14	1		NONE			29
23	1		NONE			30
23	1		NONE			31
37	2		NONE			32
11	1		NONE			33
14	1		NONE			34
14	1		NONE			35
14	1		NONE			36
14	1		NONE			37
45	2		NONE			38
14	1		NONE			39
14	1		NONE			40

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Stonewall 12KV - Lexington	Distribution *	69.00	12.47	
2	Sylvania 12KV - Winchester	Distribution *	69.00	12.47	
3	Taylorsville - Shelbyville	Distribution*	69.00	12.47	
4	Toyota North	Distribution *	138.00	13.20	
5	Toyota South	Distribution *	138.00	13.20	
6	Traffon Ave. 12KV - Lexington	Distribution *	69.00	12.47	
7	Traffon Ave. 4KV - Lexington	Distribution *	69.00	4.16	
8	UK Scott 12KV	Distribution *	69.00	12.47	
9	UK Medical Center - Lexington	Distribution *	69.00	12.47	
10	UK West - Lexington	Distribution *	69.00	13.09	
11	Union Underwear - Russell Springs	Distribution *	69.00	12.47	
12	Vaksdahl Avenue 12KV	Distribution *	69.00	12.47	
13	Verda - Hartford	Distribution *	69.00	12.47	
14	Versailles West 12KV - Versailles	Distribution *	69.00	12.47	
15	Versailles Bypass - Versailles	Distribution *	69.00	12.47	
16	Viley Road - Lexington	Distribution *	138.00	12.47	
17	Vine Street 12KV - Lexington	Distribution *	69.00	12.47	
18	Waitsboro - Somerset	Distribution *	69.00	12.47	
19	Warsaw East - Owenton	Distribution *	69.00	12.47	
20	West Hickman - Lexington	Distribution *	69.00	12.47	
21	West High Street 12KV - Lexington	Distribution *	69.00	12.47	
22	Westvaco 13.8KV	Distribution *	69.00	13.80	
23	Wickliffe 13.8KV	Distribution *	69.00	13.80	
24	Wilson Downing - Lexington	Distribution *	69.00	12.47	
25	Williamsburg South - Williamsburg	Distribution *	69.00	12.47	
26	Wilmore - Versailles	Distribution *	69.00	12.47	
27	Winchester Industrial 12KV - Winchester	Distribution *	69.00	12.47	
28	Winchester WW 12KV	Distribution *	69.00	12.47	
29	Wise - Norton	Distribution *	69.00	12.47	
30	266 Stations Less Than 10,000 KVA				
31					
32	Total Distribution		15695.50	2877.92	
33					
34	* Unattended				
35					
36					
37	Summary				
38	Transmission 111				
39	Distribution 481				
40	Total 592				

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			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
37	1		NONE			1
23	1		NONE			2
14	1		NONE			3
84	3		NONE			4
84	3		NONE			5
14	1		NONE			6
14	1		NONE			7
37	1		NONE			8
65	2		NONE			9
14	1		NONE			10
14	1		NONE			11
14	1		NONE			12
14	1		NONE			13
23	1		NONE			14
45	2		NONE			15
39	1		NONE			16
14	1		NONE			17
14	1		NONE			18
14	1		NONE			19
23	1		NONE			20
28	2		NONE			21
87	3		NONE			22
14	1		NONE			23
45	2		NONE			24
14	1		NONE			25
14	1		NONE			26
23	1		NONE			27
14	1		NONE			28
23	1		NONE			29
1714	407		NONE			30
						31
6653	676					32
						33
						34
						35
						36
						37
17223	114	22				38
6653	676					39
23876	790	22				40

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FOOTNOTE DATA			

Schedule Page: 426 Line No.: 15 Column: b
(G) Generation
Schedule Page: 426 Line No.: 16 Column: b
(G) Generation
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(G) Generation
Schedule Page: 426 Line No.: 31 Column: b
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Schedule Page: 426.1 Line No.: 6 Column: b
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(G) Generation
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Commissioned in 2008.

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THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 7/31/2008)
Form 1-F Approved
OMB No. 1902-0029
(Expires 6/30/2007)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 6/30/2007)



FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) Kentucky Utilities Company	Year/Period of Report End of <u>2006/Q4</u>
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INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q**GENERAL INFORMATION****I. Purpose**

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

- I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER
IDENTIFICATION**

01 Exact Legal Name of Respondent Kentucky Utilities Company		02 Year/Period of Report End of <u>2006/Q4</u>	
03 Previous Name and Date of Change (if name changed during year) / /			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 220 West Main Street, P.O. Box 32010, Louisville, KY 40232			
05 Name of Contact Person Susan K. Emery		06 Title of Contact Person Mgr - Regulatory Acct & Reprt	
07 Address of Contact Person (Street, City, State, Zip Code) P.O. Box 32010, Louisville, KY 40232			
08 Telephone of Contact Person, Including Area Code (502) 627-3997	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) 03/31/2007
ANNUAL CORPORATE OFFICER CERTIFICATION			
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.			
01 Name S. Bradford Rives	03 Signature S. Bradford Rives		04 Date Signed (Mo, Da, Yr) 03/31/2007
02 Title Chief Financial Officer			
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
LIST OF SCHEDULES (Electric Utility)					
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)		
1	General Information	101			
2	Control Over Respondent	102			
3	Corporations Controlled by Respondent	103			
4	Officers	104			
5	Directors	105			
6	Important Changes During the Year	108-109			
7	Comparative Balance Sheet	110-113			
8	Statement of Income for the Year	114-117			
9	Statement of Retained Earnings for the Year	118-119			
10	Statement of Cash Flows	120-121			
11	Notes to Financial Statements	122-123			
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)			
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201			
14	Nuclear Fuel Materials	202-203	NONE		
15	Electric Plant in Service	204-207			
16	Electric Plant Leased to Others	213	NONE		
17	Electric Plant Held for Future Use	214	NONE		
18	Construction Work in Progress-Electric	216			
19	Accumulated Provision for Depreciation of Electric Utility Plant	219			
20	Investment of Subsidiary Companies	224-225	NONE		
21	Materials and Supplies	227			
22	Allowances	228-229			
23	Extraordinary Property Losses	230	NONE		
24	Unrecovered Plant and Regulatory Study Costs	230	NONE		
25	Transmission Service and Generation Interconnection Study Costs	231	NONE		
26	Other Regulatory Assets	232			
27	Miscellaneous Deferred Debits	233			
28	Accumulated Deferred Income Taxes	234			
29	Capital Stock	250-251			
30	Other Paid-in Capital	253			
31	Capital Stock Expense	254			
32	Long-Term Debt	256-257			
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261			
34	Taxes Accrued, Prepaid and Charged During the Year	262-263			
35	Accumulated Deferred Investment Tax Credits	266-267			
36	Other Deferred Credits	269			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	NONE	
38	Accumulated Deferred Income Taxes-Other Property	274-275		
39	Accumulated Deferred Income Taxes-Other	276-277		
40	Other Regulatory Liabilities	278		
41	Electric Operating Revenues	300-301		
42	Sales of Electricity by Rate Schedules	304		
43	Sales for Resale	310-311		
44	Electric Operation and Maintenance Expenses	320-323		
45	Purchased Power	326-327		
46	Transmission of Electricity for Others	328-330		
47	Transmission of Electricity by ISO/RTOs	331	NONE	
48	Transmission of Electricity by Others	332		
49	Miscellaneous General Expenses-Electric	335		
50	Depreciation and Amortization of Electric Plant	336-337		
51	Regulatory Commission Expenses	350-351	NONE	
52	Research, Development and Demonstration Activities	352-353		
53	Distribution of Salaries and Wages	354-355		
54	Common Utility Plant and Expenses	356	NONE	
55	Amounts included in ISO/RTO Settlement Statements	397		
56	Purchase and Sale of Ancillary Services	398		
57	Monthly Transmission System Peak Load	400		
58	Monthly ISO/RTO Transmission System Peak Load	400a	NONE	
59	Electric Energy Account	401		
60	Monthly Peaks and Output	401		
61	Steam Electric Generating Plant Statistics	402-403		
62	Hydroelectric Generating Plant Statistics	406-407		
63	Pumped Storage Generating Plant Statistics	408-409	NONE	
64	Generating Plant Statistics Pages	410-411	NONE	
65	Transmission Line Statistics Pages	422-423		
66	Transmission Lines Added During the Year	424-425	NONE	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
67	Substations	426-427		
68	Footnote Data	450		
	<p>Stockholders' Reports Check appropriate box:</p> <p><input type="checkbox"/> Four copies will be submitted</p> <p><input checked="" type="checkbox"/> No annual report to stockholders is prepared</p>			

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>S. B. Rives 220 West Main Street Louisville, KY 40202</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Kentucky August 17, 1912 Virginia December 1, 1991</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not Applicable</p>			
<p>4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Electric Services - Kentucky Electric Services - Tennessee Electric Services - Virginia</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
CONTROL OVER RESPONDENT			
<p>1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.</p>			
<p>KU is a wholly-owned subsidiary of E.ON U.S. LLC., formerly known as LG&E Energy LLC. E.ON U.S. is a wholly-owned subsidiary of E.ON, a German corporation, making KU a wholly-owned subsidiary of E.ON.</p>			

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	-- Not Applicable --			
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
OFFICERS				
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>				
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	
1	CURRENT OFFICERS AT DECEMBER 31, 2006			
2				
3	Chairman of the Board, President and			
4	Chief Executive Officer	Victor A. Staffieri		
5				
6	Chief Financial Officer	S. Bradford Rives		
7				
8	Executive Vice President, General Counsel			
9	and Corporate Secretary	John R. McCall		
10				
11	Senior Vice President - Energy Services	Paul W. Thompson		
12				
13	Senior Vice President - Energy Delivery	Chris Hermann		
14				
15	Senior Vice President - Information Technology	Wendy C. Welsh		
16				
17	Senior Vice President - Energy Marketing	Martyn Gallus		
18				
19	Senior Vice President - Human Resources	Paula H. Pottinger		
20				
21	Vice President - Retail and Gas Storage Operations	David A. Vogel		
22				
23	Treasurer	Daniel K. Arbough		
24				
25	Vice President - Federal Regulation and Policy	Michael S. Beer		
26				
27	Vice President - External Affairs	George R. Siemens		
28				
29	Vice President - Power Operations WKE	D. Ralph Bowling		
30				
31	Vice President - Communications	R. W. Chip Keeling		
32				
33	Vice President - Regulated Generation	John N. Voyles, Jr.		
34				
35	Controller	Valerie L. Scott		
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: c

Salary information for all officers is on file in the office of the respondent.

Schedule Page: 104 Line No.: 19 Column: b

Paula Pottinger was promoted to Senior Vice President - Human Resources effective January 2, 2006.

Schedule Page: 104 Line No.: 21 Column: b

David Vogel announced his resignation as Vice President-Retail and Gas Storage Operations during March 2007.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
DIRECTORS				
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.				
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.				
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)		
1	CURRENT BOARD OF DIRECTORS AT DECEMBER 31, 2006			
2				
3	Victor A. Staffieri, Chairman, President and CEO	220 West Main Street, Louisville, KY 40202		
4	S. Bradford Rives, Chief Financial Officer	220 West Main Street, Louisville, KY 40202		
5	John R. McCall, EVP General Counsel & Corp Secretary	220 West Main Street, Louisville, KY 40202		
6	Chris Hermann, SVP Energy Delivery	220 West Main Street, Louisville, KY 40202		
7	Paul W. Thompson, SVP Energy Services	220 West Main Street, Louisville, KY 40202		
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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> 1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. 3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization. 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc. 6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee. 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. 8. State the estimated annual effect and nature of any important wage scale changes during the year. 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest. 11. (Reserved.) 12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page. 13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period. 14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio. 			
PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company		03/31/2007	2006/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. None.
4. None.
5. None.
6. At December 31, 2006, the Company had obtained authorization from the SEC under PUHCA SEC File No. 70-10282 for the issuance of short-term debt up to \$400 million through May 31, 2008. The Federal Power Act contained an exemption from FERC approval for securities issuances approved by the SEC under PUHCA. In connection with the repeal of PUHCA, the Company also received FERC authorization under the FPA Docket No. ES06-3-000 for up to \$400 million in short-term debt through November 30, 2007. KU's money pool balance increased from \$59 million at the end of the third quarter to \$97 million at the end of the fourth quarter. In October 2006, the Company entered into a long-term loan agreement totaling \$50 million with Fidelia Corp., an affiliated company. The loan matures in June 2036 and pays a variable rate of interest that is reset every 35 days. See Note 7 of Notes to Financial Statements.
7. None.
8. None of a material nature.
9. See Notes 2, 9 and 14 of Notes to Financial Statements.
10. None.
11. N/A.
12. N/A.
13. Paula H. Pottinger was appointed Senior Vice President-Human Resources effective January 2, 2006. David A. Vogel announced his resignation as Vice President - Retail and Gas Storage Operations during March 2007.
14. The Company is a participant in a cash pooling arrangement, but its proprietary capital ratio is above 30%.

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	End of 2006/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,680,734,487	3,649,861,949
3	Construction Work in Progress (107)	200-201	487,243,640	197,024,858
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,167,978,127	3,846,886,807
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,850,012,155	1,789,102,820
6	Net Utility Plant (Enter Total of line 4 less 5)		2,317,965,972	2,057,783,987
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,317,965,972	2,057,783,987
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		1,027,089	1,027,089
19	(Less) Accum. Prov. for Depr. and Amort. (122)		57,926	131,332
20	Investments in Associated Companies (123)		17,544,087	15,638,314
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		676,140	691,355
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		5,704,694	5,597,459
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		24,894,084	22,822,885
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		5,309,005	6,611,224
36	Special Deposits (132-134)		22,807,516	21,598,222
37	Working Fund (135)		58,230	94,873
38	Temporary Cash Investments (136)		3,505	14
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		81,011,049	83,360,727
41	Other Accounts Receivable (143)		2,096,320	5,682,892
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,820,192	1,469,409
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		50,014,360	31,767,470
45	Fuel Stock (151)	227	64,221,479	55,589,381
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	25,951,429	24,713,799
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	1,670,538	1,459,687
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	6,386,539	6,081,753
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		5,878,487	3,435,902
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		141,035	68,437
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		41,715,000	47,556,000
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		895,627	1,619,259
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		306,339,927	288,170,231
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		5,875,218	4,960,110
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	115,016,843	33,314,745
73	Prelim. Survey and Investigation Charges (Electric) (183)		294,017	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		2,752,647	929,746
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	64,087,291	63,174,481
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		10,327,192	11,016,397
82	Accumulated Deferred Income Taxes (190)	234	46,004,037	55,107,609
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		244,357,245	168,503,088
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,893,557,228	2,537,280,191

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 03/31/2007	Year/Period of Report end of 2006/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	308,139,978	308,139,978
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	15,000,000	15,000,000
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	321,289	321,289
11	Retained Earnings (215, 215.1, 216)	118-119	854,131,028	704,216,017
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	16,248,287	14,342,514
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	-19,336,791
16	Total Proprietary Capital (lines 2 through 15)		1,193,198,004	1,022,040,429
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	359,384,680	363,604,400
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	483,000,000	383,000,000
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		842,384,680	746,604,400
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		76,450,084	69,604,710
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		28,481,207	26,798,683
35	Total Other Noncurrent Liabilities (lines 26 through 34)		104,931,291	96,403,393
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		140,112,749	117,330,283
39	Notes Payable to Associated Companies (233)		97,043,054	69,665,000
40	Accounts Payable to Associated Companies (234)		87,173,829	57,267,528
41	Customer Deposits (235)		18,681,706	17,326,596
42	Taxes Accrued (236)	262-263	5,483,045	14,501,541
43	Interest Accrued (237)		2,081,879	2,924,671
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0
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Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 03/31/2007	Year/Period of Report end of 2006/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		3,344,527	3,308,830
48	Miscellaneous Current and Accrued Liabilities (242)		10,631,560	9,622,495
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		119,895	623,771
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		364,672,244	292,570,715
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		1,972,866	1,491,636
57	Accumulated Deferred Investment Tax Credits (255)	266-267	13,023,775	2,105,647
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	7,283,142	15,485,636
60	Other Regulatory Liabilities (254)	278	35,939,373	31,624,689
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		291,427,195	300,754,254
64	Accum. Deferred Income Taxes-Other (283)		38,724,658	28,199,392
65	Total Deferred Credits (lines 56 through 64)		388,371,009	379,661,254
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,893,557,228	2,537,280,191
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
STATEMENT OF INCOME							
Quarterly							
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.							
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.							
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.							
4. If additional columns are needed place them in a footnote.							
Annual or Quarterly if applicable							
5. Do not report fourth quarter data in columns (e) and (f)							
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.							
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.							
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
1	UTILITY OPERATING INCOME						
2	Operating Revenues (400)	300-301	1,210,019,284	1,206,584,987			
3	Operating Expenses						
4	Operation Expenses (401)	320-323	770,339,126	802,212,788			
5	Maintenance Expenses (402)	320-323	72,877,246	72,256,143			
6	Depreciation Expense (403)	336-337	109,639,095	109,431,190			
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	296,659	215,228			
8	Amort. & Depl. of Utility Plant (404-405)	336-337	5,072,614	5,240,027			
9	Amort. of Utility Plant Acq. Adj. (406)	336-337					
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)						
11	Amort. of Conversion Expenses (407)						
12	Regulatory Debits (407.3)						
13	(Less) Regulatory Credits (407.4)		2,044,274	7,127,022			
14	Taxes Other Than Income Taxes (408.1)	262-263	18,603,068	16,456,094			
15	Income Taxes - Federal (409.1)	262-263	48,696,525	58,375,979			
16	- Other (409.1)	262-263	11,375,572	10,937,555			
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	41,108,472	36,483,936			
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	40,437,777	43,054,514			
19	Investment Tax Credit Adj. - Net (411.4)	266	12,000,000				
20	(Less) Gains from Disp. of Utility Plant (411.6)						
21	Losses from Disp. of Utility Plant (411.7)						
22	(Less) Gains from Disposition of Allowances (411.8)		1,283,929	1,108,364			
23	Losses from Disposition of Allowances (411.9)						
24	Accretion Expense (411.10)		1,747,615	1,388,149			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,047,990,012	1,061,707,189			
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		162,029,272	144,877,798			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
<p>9. Use page 122 for important notes regarding the statement of income for any account thereof.</p> <p>10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.</p> <p>11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.</p> <p>12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.</p> <p>13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.</p> <p>14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.</p> <p>15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.</p>							
ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY			
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.	
						1	
1,210,019,284	1,206,584,987					2	
						3	
770,339,126	802,212,788					4	
72,877,246	72,256,143					5	
109,639,095	109,431,190					6	
296,659	215,228					7	
5,072,614	5,240,027					8	
						9	
						10	
						11	
						12	
2,044,274	7,127,022					13	
18,603,068	16,456,094					14	
48,696,525	58,375,979					15	
11,375,572	10,937,555					16	
41,108,472	36,483,936					17	
40,437,777	43,054,514					18	
12,000,000						19	
						20	
						21	
1,283,929	1,108,364					22	
						23	
1,747,615	1,388,149					24	
1,047,990,012	1,061,707,189					25	
162,029,272	144,877,798					26	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		162,029,272	144,877,798			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		609,912	29,292			
34	(Less) Expenses of Nonutility Operations (417.1)						
35	Nonoperating Rental Income (418)		-385	-385			
36	Equity in Earnings of Subsidiary Companies (418.1)	119	29,405,773	2,256,843			
37	Interest and Dividend Income (419)		1,457,963	850,086			
38	Allowance for Other Funds Used During Construction (419.1)		384,044	44,280			
39	Miscellaneous Nonoperating Income (421)		1,966,683	4,481,656			
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		33,823,990	7,661,772			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)		82,656				
44	Miscellaneous Amortization (425)	340					
45	Donations (426.1)	340	616,224	270,532			
46	Life Insurance (426.2)		707,185	707,185			
47	Penalties (426.3)		62	73			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		1,005,100	506,673			
49	Other Deductions (426.5)		1,601,891	1,045,626			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,013,118	2,530,089			
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	22,452	26,328			
53	Income Taxes-Federal (409.2)	262-263	2,172,669	200,383			
54	Income Taxes-Other (409.2)	262-263	51,595	35,320			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	834,249	4,919,133			
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	376,384	4,267			
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)		1,081,872	1,699,404			
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,622,709	3,477,493			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		28,188,163	1,654,190			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		12,994,886	9,489,080			
63	Amort. of Debt Disc. and Expense (428)		247,830	256,523			
64	Amortization of Loss on Required Debt (428.1)		689,205	2,679,347			
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)	340	23,619,164	16,052,582			
68	Other Interest Expense (431)	340	1,108,319	2,603,815			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		262,752	9,297			
70	Net Interest Charges (Total of lines 62 thru 69)		38,396,652	31,072,050			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		151,820,783	115,459,938			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)			5,520,828			
75	Net Extraordinary Items (Total of line 73 less line 74)			-5,520,828			
76	Income Taxes-Federal and Other (409.3)	262-263		-2,183,487			
77	Extraordinary Items After Taxes (line 75 less line 76)			-3,337,341			
78	Net Income (Total of line 71 and 77)		151,820,783	112,122,597			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
STATEMENT OF RETAINED EARNINGS					
<p>1. Do not report Lines 49-53 on the quarterly version.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)</p> <p>4. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>					
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)	
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)				
1	Balance-Beginning of Period		704,216,017	647,185,055	
2	Changes				
3	Adjustments to Retained Earnings (Account 439)				
4	Transfer of Appropriated Retained Earnings			114,735	
5	Dividends Received				
6					
7					
8					
9	TOTAL Credits to Retained Earnings (Acct. 439)			114,735	
10	Preferred Stock Redemption Expense			(1,113,389)	
11					
12					
13					
14					
15	TOTAL Debits to Retained Earnings (Acct. 439)			(1,113,389)	
16	Balance Transferred from Income (Account 433 less Account 418.1)		122,415,011	109,865,754	
17	Appropriations of Retained Earnings (Acct. 436)				
18					
19					
20					
21					
22	TOTAL Appropriations of Retained Earnings (Acct. 436)				
23	Dividends Declared-Preferred Stock (Account 437)				
24	4.75% Cumulative, Stated Value \$100 per share			(773,196)	
25	6.53% Cumulative, Stated Value \$100 per share			(1,062,942)	
26					
27					
28					
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			(1,836,138)	
30	Dividends Declared-Common Stock (Account 438)				
31	Without Par Value			(50,000,000)	
32					
33					
34					
35					
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			(50,000,000)	
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		27,500,000		
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		854,131,028	704,216,017	
	APPROPRIATED RETAINED EARNINGS (Account 215)				
39					
40					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
STATEMENT OF RETAINED EARNINGS					
<p>1. Do not report Lines 49-53 on the quarterly version.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)</p> <p>4. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>					
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)	
41					
42					
43					
44					
45	TOTAL Appropriated Retained Earnings (Account 215)				
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)				
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)				
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)				
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		854,131,028	704,216,017	
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account				
	Report only on an Annual Basis, no Quarterly				
49	Balance-Beginning of Year (Debit or Credit)		14,342,514	12,085,671	
50	Equity in Earnings for Year (Credit) (Account 418.1)		29,405,773	2,256,843	
51	(Less) Dividends Received (Debit)		27,500,000		
52					
53	Balance-End of Year (Total lines 49 thru 52)		16,248,287	14,342,514	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	151,820,783	112,122,597	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	109,935,754	109,646,418	
5	Amortization of Plant	5,072,614	5,240,027	
6				
7				
8	Deferred Income Taxes (Net)	10,301,779	-17,762,210	
9	Investment Tax Credit Adjustment (Net)	10,918,128	-1,699,404	
10	Net (Increase) Decrease in Receivables	-6,154,811	-54,186,909	
11	Net (Increase) Decrease in Inventory	-10,174,514	-6,164,632	
12	Net (Increase) Decrease in Allowances Inventory	-210,851	2,250,613	
13	Net Increase (Decrease) in Payables and Accrued Expenses	21,439,326	57,546,977	
14	Net (Increase) Decrease in Other Regulatory Assets	-81,702,098	46,657,198	
15	Net Increase (Decrease) in Other Regulatory Liabilities	4,314,684	-15,204,853	
16	(Less) Allowance for Other Funds Used During Construction	646,796	53,576	
17	(Less) Undistributed Earnings from Subsidiary Companies	1,905,773	2,256,843	
18	Other (provide details in footnote):	21,169,077	-13,645,832	
19	Change in Other Deferred Debits	-912,810	-26,442,402	
20	Change in Other Deferred Credits	-8,202,494	6,264,152	
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	225,061,998	202,311,321	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-347,628,207	-140,006,362	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	-646,796	-53,576	
31	Other (provide details in footnote):	-1,606,960	-6,140,317	
32				
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-348,588,371	-146,093,103	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
46	Loans Made or Purchased			
47	Collections on Loans			
48	Change in Long-Term Investments	-165,426	-87,750	
49	Net (Increase) Decrease in Receivables			
50	Net (Increase) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation			
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Other (provide details in footnote):			
54	Change in Restricted Cash	-1,209,169	-21,597,815	
55				
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-349,962,966	-167,778,668	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)	132,224,311	150,611,418	
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65				
66	Net Increase in Short-Term Debt (c)	27,378,054	34,845,000	
67	Other (provide details in footnote):			
68				
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)	159,602,365	185,456,418	
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)	-36,000,000	-125,000,000	
74	Preferred Stock		-40,840,284	
75	Common Stock			
76	Other (provide details in footnote):			
77				
78	Net Decrease in Short-Term Debt (c)			
79				
80	Dividends on Preferred Stock		-2,024,138	
81	Dividends on Common Stock		-50,000,000	
82	Net Cash Provided by (Used in) Financing Activities			
83	(Total of lines 70 thru 81)	123,602,365	-32,408,004	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	-1,298,603	2,124,649	
87				
88	Cash and Cash Equivalents at Beginning of Period	6,611,646	4,486,997	
89				
90	Cash and Cash Equivalents at End of period	5,313,043	6,611,646	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

Other operating cash flows:

Net salvage and cost of removal	\$ (4,900,433)
Depreciation charged to balance sheet accounts	622,436
Amortization of Debt Expenses	247,821
Amortization of Loss on Bonds	689,205
Net increase in Prepayments	(2,442,585)
Net decrease in Derivative Assets	723,632
Net increase in Preliminary Survey	(294,017)
Net increase in Clearing Accounts	(1,822,901)
Net increase in Other Comprehensive Income	19,336,791
Net increase in Customer Advances for Construction	481,230
Net increase in Asset Retirement Obligations	1,682,524
Net increase in Provision for Postretirement Benefits	6,845,374

Total	\$ 21,169,077

Schedule Page: 120 Line No.: 18 Column:

Other operating cash flows:

Net salvage and cost of removal	\$ (5,075,730)
Depreciation charged to balance sheet accounts	2,747,616
Amortization of Debt Expenses	256,909
Amortization of Loss on Bonds	791,461
Net decrease in Prepayments	2,764,016
Net increase in Derivative Assets	(1,619,259)
Net increase in Clearing Accounts	(348,760)
Net decrease in Other Comprehensive Income	(19,336,791)
Net decrease in Customer Advances for Construction	(119,865)
Net increase in Asset Retirement Obligations	5,845,242
Net increase in Provision for Post Retirement Benefits	449,329

Total	\$(13,645,832)

Schedule Page: 120 Line No.: 31 Column: b

Long Term Debt Mark-to-Market \$ (1,606,960)

The \$53 million bonds (KU FM Series P 7.92%) have a fair value hedge (\$53 million swap) associated with them. Each month, the market value of the bonds and the market value of the swap are adjusted. The difference in the Mark-to-Market amount is recorded in interest expense. This is the fair value hedge accounting as prescribed in FAS 133, as amended.

Schedule Page: 120 Line No.: 31 Column:

Long Term Debt Mark-to-Market \$ (6,140,317)

The \$53 million bonds (KU FM Series P 7.92%) have a fair value hedge (\$53 million swap) associated with them. Each month, the market value of the bonds and the market value of the swap are adjusted. The difference in the Mark-to-Market amount is recorded in interest expense. This is the fair value hedge accounting as prescribed in FAS 133, as amended.

Schedule Page: 120 Line No.: 90 Column: b

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FOOTNOTE DATA			

Cash and cash equivalents is comprised of the following amounts:

Cash (Acct 131)	\$ 5,309,005
Special Deposits (Accts 132-134)	533 *
Temporary Cash Investments (Acct 136)	3,505

Total Cash and Cash Equivalents at End of Period	\$ 5,313,043

*The remaining balance of \$22,806,983 is Restricted
Cash (Acct 134)

Schedule Page: 120 Line No.: 90 Column:

Cash and cash equivalents is comprised of the following amounts:

Cash (Acct 131)	\$ 6,611,224
Special Deposits (Accts 132-134)	408 *
Temporary Cash Investments (Acct 136)	14

Total Cash and Cash Equivalents at End of Period	\$ 6,611,646

*The remaining balance of \$21,597,814 is Restricted
Cash (Acct 134)

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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

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INDEX OF ABBREVIATIONS

AG	Attorney General of Kentucky
ARO	Asset Retirement Obligation
CAIR	Clean Air Interstate Rule
CAMR	Clean Air Mercury Rule
CAVR	Clean Air Visibility Rule
CCN	Certificate of Public Convenience and Necessity
Clean Air Act Company	The Clean Air Act, as amended in 1990 KU
CT	Combustion Turbines
DSM	Demand Side Management
ECR	Environmental Cost Recovery
EEl	Electric Energy, Inc.
E.ON	E.ON AG
E.ON U.S.	E.ON U.S. LLC. (formerly LG&E Energy LLC and LG&E Energy Corp.)
E.ON U.S. Services	E.ON U.S. Services Inc. (formerly LG&E Energy Services Inc.)
EPA	U.S. Environmental Protection Agency
EPAAct 2005	Energy Policy Act of 2005
FAC	Fuel Adjustment Clause
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FGD	Flue Gas Desulfurization
Fidelia	Fidelia Corporation (an E.ON affiliate)
FIN	FASB Interpretation
GHG	Greenhouse Gas
IBEW	International Brotherhood of Electrical Workers
IMEA	Illinois Municipal Electric Agency
IMPA	Indiana Municipal Power Agency
IRP	Integrated Resource Plan
Kentucky Commission	Kentucky Public Service Commission
KIUC	Kentucky Industrial Utility Consumers, Inc.
KU	Kentucky Utilities Company
Kwh	Kilowatt hours
LG&E	Louisville Gas and Electric Company
LG&E Energy	LG&E Energy LLC (now E.ON U.S. LLC)
MISO	Midwest Independent Transmission System Operator, Inc.
MMBtu	Million British thermal units
Moody's	Moody's Investor Services, Inc.
Mva	Megavolt-ampere
Mw	Megawatts
Mwh	Megawatt hours
NOx	Nitrogen Oxide
OMU	Owensboro Municipal Utilities
OVEC	Ohio Valley Electric Corporation
PUHCA 1935	Public Utility Holding Company Act of 1935
PUHCA 2005	Public Utility Holding Company Act of 2005
S&P	Standard & Poor's Rating Services
SCR	Selective Catalytic Reduction
SFAS	Statement of Financial Accounting Standards
SIP	State Implementation Plan
SO ₂	Sulfur Dioxide
TC2	Trimble County Unit 2
USWA	United Steelworkers of America
VDT	Value Delivery Team Process
Virginia Commission	Virginia State Corporation Commission

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Kentucky Utilities Company
Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

KU, incorporated in Kentucky in 1912 and in Virginia in 1991, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Kentucky, Virginia and Tennessee. KU provides electricity to approximately 501,000 customers in 77 counties in central, southeastern and western Kentucky, to approximately 30,000 customers in 5 counties in southwestern Virginia and 5 customers in Tennessee. KU's coal-fired electric generating plants produce most of KU's electricity, with the remainder generated by a hydroelectric power plant and natural gas and oil fueled CTs. In Virginia, KU operates under the name Old Dominion Power Company.

KU is a wholly-owned subsidiary of E.ON U.S., formerly known as LG&E Energy LLC. E.ON U.S. is an indirect wholly-owned subsidiary of E.ON, a German corporation, making KU an indirect wholly-owned subsidiary of E.ON. KU's affiliate, LG&E, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and the distribution of natural gas in Kentucky.

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2006 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows.

Presentation. The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the FERC, which is a comprehensive basis of accounting other than generally accepted accounting principles. The significant differences between Generally Accepted Accounting Principles (GAAP) and FERC reporting are as follows:

Restricted cash is recorded in cash on the balance sheet for FERC reporting and presented as a separate line item for GAAP statements;

Certain costs of removal obligations are recorded in accumulated depreciation for FERC reporting and recorded in regulatory liabilities for GAAP reporting;

Long-term and short-term bonds are recorded in total in the long-term debt section for FERC reporting and are presented separately in current liabilities for the short-term portion and in long-term debt for the long-term portion for GAAP reporting; and

Deferred taxes are shown gross for FERC reporting in the balance sheet (a deferred asset and a deferred liability are recorded), for GAAP reporting the deferred taxes are netted together and recorded as a liability.

Regulatory Accounting. KU is subject to SFAS No. 71, under which costs that would otherwise be charged to expense are deferred as regulatory assets based on expected recovery from customers in future rates. Likewise, credits that would otherwise be reflected as income are deferred as regulatory liabilities based on expected

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return to customers in future rates. The current or expected recovery of deferred costs and expected return of deferred credits is based on specific ratemaking decisions or precedent for each item as prescribed by the FERC, the Kentucky Commission or the Virginia Commission. See Note 2, Rates and Regulatory Matters, for additional detail regarding regulatory assets and liabilities.

Cash and Cash Equivalents. KU considers all debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash. Proceeds from bond issuances for environmental equipment (primarily related to the installation of FGDs) are held in trust pending expenditure for qualifying assets, which is expected to occur during 2007.

Allowance for Doubtful Accounts. The allowance for doubtful accounts is based on the ratio of the amounts charged-off during the last twelve months to the retail revenues billed over the same period multiplied by the retail revenues billed over the last four months. Accounts with no payment activity are charged-off after four months, although collection efforts continue thereafter.

Materials and Supplies. Fuel and other materials and supplies inventories are accounted for using the average-cost method. Emission allowances are included in other materials and supplies and are not currently traded by KU. At December 31, 2006 and 2005, the emission allowances inventory was approximately \$2 million.

Other Property and Investments. Other property and investments on the balance sheets consists of KU's investment in EEI, economic development loans provided to various communities in KU's service territory, KU's investment in OVEC, funds related to KU's long-term purchased power contract with OMU and non-utility plant.

Although KU holds investment interests in OVEC and EEI, it is not the primary beneficiary, therefore, neither are consolidated into KU's financial statements. KU and 11 other electric utilities are participating owners of OVEC, located in Picketon, Ohio. OVEC owns and operates two power plants that burn coal to generate electricity, Kyger Creek Station in Ohio and Clifty Creek Station in Indiana. Pursuant to current contractual arrangements, KU's share of OVEC's output is 2.5%, approximately 55 Mw of generation capacity.

As of December 31, 2006 and 2005, KU's investment in OVEC totaled less than \$1 million and is accounted for under the cost method of accounting. KU's maximum exposure to loss as a result of its involvement with OVEC is limited to the value of its investment. In the event of the inability of OVEC to fulfill its power provision requirements, KU anticipates substituting such power supply with either owned generation or market purchases and believes it would generally recover associated incremental costs through regulatory rate mechanisms. See Note 9, Commitments and Contingencies, for further discussion of developments regarding KU's ownership interests and power purchase rights.

KU owns 20% of the common stock of EEI, which owns and operates a 1,000-Mw generating station in southern Illinois. Prior to 2006, KU was entitled to take 20% of the available capacity of the station under a pricing formula comparable to the cost of other power generated by KU. This contract governing the purchases

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from EEI terminated on December 31, 2005. Since December 31, 2005, EEI has sold power under general market-based pricing and terms. KU has not contracted with EEI for power under the new arrangements, but maintains its 20% ownership in the common stock of EEI. Replacement power for the EEI capacity has been largely provided by KU generation.

KU's investment in EEI is accounted for under the equity method of accounting and, as of December 31, 2006 and 2005, totaled \$18 million and \$16 million, respectively. KU's direct exposure to loss as a result of its involvement with EEI is generally limited to the value of its investment.

Utility Plant. KU's utility plant is stated at original cost, which includes payroll-related costs such as taxes, fringe benefits and administrative and general costs. Construction work in progress has been included in the rate base for determining retail customer rates in Kentucky. KU has not recorded a significant allowance for funds used during construction.

The cost of plant retired or disposed of in the normal course of business is deducted from plant accounts and such cost, plus removal expense less salvage value, is charged to the reserve for depreciation. When complete operating units are disposed of, appropriate adjustments are made to the reserve for depreciation and gains and losses, if any, are recognized.

Depreciation and Amortization. Depreciation is provided on the straight-line method over the estimated service lives of depreciable plant. The amounts provided were approximately 3.1% in 2006 and 3.2% in 2005 of average depreciable plant. Of the amount provided for depreciation at December 31, 2006 and 2005, approximately 0.5% was related to the retirement, removal and disposal costs of long lived assets.

Unamortized Debt Expense. Debt expense is capitalized in deferred debits and amortized over the lives of the related bond issues.

Income Taxes. Income taxes are accounted for under SFAS No. 109, *Accounting for Income Taxes*. In accordance with this statement, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as measured by enacted tax rates that are expected to be in effect in the periods when the deferred tax assets and liabilities are expected to be settled or realized. Significant judgment is required in determining the provision for income taxes, and there are transactions for which the ultimate tax outcome is uncertain. To provide for these uncertainties or exposures, an allowance is maintained for tax contingencies based on management's best estimate of probable loss. Tax contingencies are analyzed periodically and adjustments are made when events occur to warrant a change. See Note 6, Income Taxes.

Deferred Income Taxes. Deferred income taxes are recognized at currently enacted tax rates for all material temporary differences between the financial reporting and income tax bases of assets and liabilities.

Investment Tax Credits. The EPAct 2005 added Section 48A to the Internal Revenue Code, which provides for an investment tax credit to promote the commercialization of advanced coal technologies that will generate electricity in an environmentally responsible manner. KU and LG&E received an investment tax credit related to TC2, for more details see Note 6, Income Taxes. Investment tax credits prior to 2006 resulted from provisions

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NOTES TO FINANCIAL STATEMENTS (Continued)			

of the tax law that permitted a reduction of KU's tax liability based on credits for construction expenditures. Deferred investment tax credits are being amortized to income over the estimated lives of the related property that gave rise to the credits.

Revenue Recognition. Revenues are recorded based on service rendered to customers through month-end. KU accrues an estimate for unbilled revenues from each meter reading date to the end of the accounting period based on allocating the daily system net deliveries between billed volumes and unbilled volumes. The allocation is based on a daily ratio of the number of meter reading cycles remaining in the month to the total number of meter reading cycles in each month. Each day's ratio is then multiplied by each day's system net deliveries to determine an estimated billed and unbilled volume for each day of the accounting period. The unbilled revenue estimates included in accounts receivable were approximately \$42 million and \$48 million at December 31, 2006 and 2005, respectively.

Fuel Costs. The cost of fuel for generation is charged to expense as used.

Management's Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accrued liabilities, including legal and environmental, are recorded when they are probable and estimable. Actual results could differ from those estimates.

Recent Accounting Pronouncements. The following are recent accounting pronouncements affecting KU:

FIN 48

In July 2006, the FASB issued FIN 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of SFAS No. 109*, which clarifies the accounting for the uncertainty of income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The evaluation of a tax position in accordance with FIN 48 is a two-step process. The first step is recognition based on the determination of whether it is "more likely than not" that a tax position will be sustained upon examination. The second step is to measure a tax position that meets the "more likely than not" threshold. The tax position will be measured as the amount of potential benefit that exceeds 50% likelihood of being realized.

FIN 48 is effective for fiscal years beginning after December 15, 2006. FIN 48 was adopted effective January 1, 2007. The impact of FIN 48 on the statements of operations, financial position and cash flows is not expected to be material.

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SFAS No. 157

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which is effective for fiscal years beginning after November 15, 2007. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. KU is now analyzing the future impacts of SFAS No. 157 on results of operations and financial condition.

SFAS No. 158

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, which is effective for fiscal years ending after December 15, 2006 for employers with publicly traded equity securities, and for employers controlled by entities with publicly traded equity securities, which is applicable for KU. This statement requires employers to recognize the over-funded or under-funded status of a defined benefit pension and postretirement plan as an asset or a liability in the balance sheet and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. This statement also requires employers to measure the funded status of a plan as of the date of its year-end balance sheet. This statement amended SFAS No. 87, *Employers' Accounting for Pensions*, SFAS No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, SFAS No. 106 *Employers' Accounting for Postretirement Benefits Other Than Pensions*, and SFAS No. 132, *Employers' Disclosures about Pensions and Other Postretirement Benefits*.

SFAS No. 71 provides guidance to regulated utilities for deferring costs that would otherwise be charged to expense or equity by non-regulated enterprises. In applying the provisions of this statement to the requirements of SFAS No. 158, KU recorded a regulatory asset representing the adjustment to the pension liability in recognizing the funded status of the pension liability. This adjustment would have been represented in Accumulated Other Comprehensive Income without the application of SFAS No. 71.

KU has adopted SFAS No. 158 effective for fiscal year ending December 31, 2006. The incremental effects of applying SFAS No. 158 are shown in the following table:

(in millions)	Before Adoption of SFAS No. 158*	Adjustments	After Adoption of SFAS No. 158
Accrued pension and postretirement liability	\$(75)	\$(51)	\$(126)
Pension and postretirement regulatory asset	13	51	64

* Balances before the application of SFAS No. 158 include the effects of 2006 plan experience and changes in actuarial assumptions on the additional minimum liability, coupled with the regulatory impacts of SFAS No. 71.

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Note 2 - Rates and Regulatory Matters

KU is subject to the jurisdiction of the Kentucky Commission, the Virginia Commission, the Tennessee Regulatory Authority and the FERC in virtually all matters related to electric utility regulation, and as such, its accounting is subject to SFAS No. 71. Given its competitive position in the marketplace and the status of regulation in Kentucky and Virginia, KU has no plans or intentions to discontinue its application of SFAS No. 71.

Rate Case

In December 2003, KU filed an application with the Kentucky Commission requesting an adjustment in KU's rates. The revenue increase requested was \$58 million. In June 2004, the Kentucky Commission issued an Order approving an increase in the base rates of KU of approximately \$46 million (6.8%). The rate increase took effect on July 1, 2004.

During 2004 and 2005, the AG conducted an investigation of KU, as well as of the Kentucky Commission and its staff, requesting information regarding allegedly improper communications between KU and the Kentucky Commission, particularly during the period covered by the rate case. Concurrently, the AG had filed pleadings with the Kentucky Commission requesting rehearing of the rate case on computational components of the increased rates, including income taxes, cost of removal and depreciation amounts. In August 2004, the Kentucky Commission denied the AG's rehearing request on the cost of removal and depreciation issues and granted rehearing on the income tax component. The Kentucky Commission further agreed to hold in abeyance further proceedings in the rate case, until the AG filed its investigative report regarding the allegations of improper communication.

In January 2005 and February 2005, the AG filed a motion summarizing its investigative report as containing evidence of improper communications and record-keeping errors by KU in its conduct of activities before the Kentucky Commission or other state governmental entities and forwarded such report to the Kentucky Commission under continued confidential treatment to allow it to consider the report, including its impact, if any, on completing its investigation and any remaining steps in the rate case. To date, KU has neither seen nor requested copies of the report or its contents.

In December 2005, the Kentucky Commission issued an Order noting completion of its inquiry, including review of the AG's investigative report. The Order concluded that no improper communications occurred during the rate proceedings. Final proceedings took place during the first quarter of 2006 concerning the sole remaining open issue relating to state income tax rates used in calculating the granted rate increase. In March 2006, the Kentucky Commission issued an Order resolving this issue in KU's favor consistent with the original rate increase order.

KU believes no improprieties have occurred in its communications with the Kentucky Commission and has cooperated with the proceedings before the AG and the Kentucky Commission. KU is currently unable to predict whether there will be any remaining actions or consequences as a result of the AG's report or investigation.

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Regulatory Assets and Liabilities

The following regulatory assets and liabilities were included in the balance sheets as of December 31:

(in millions)	<u>2006</u>	<u>2005</u>
ARO	\$ 22	\$ 20
MISO exit	20	-
FAC	16	12
Unamortized loss on bonds	10	11
ECR	10	4
VDT costs	-	3
Other	<u>5</u>	<u>8</u>
Subtotal	83	58
Pension and postretirement benefits	<u>64</u>	<u>-</u>
Total regulatory assets	<u>\$ 147</u>	<u>\$ 58</u>
Accumulated cost of removal of utility plant	\$ 297	\$ 281
Deferred income taxes-net	27	23
Other	<u>6</u>	<u>11</u>
Total regulatory liabilities	<u>\$ 330</u>	<u>\$ 315</u>

KU does not currently earn a rate of return on the FAC regulatory asset, which is a separate recovery mechanism with recovery within twelve months. No return is earned on the pension and postretirement benefits regulatory asset which represents the changes in funded status of the plans that the Company will seek recovery of in future proceedings with the Kentucky and Virginia Commissions. No return is currently earned on the ARO asset. This regulatory asset will be offset against the associated regulatory liability, ARO asset and ARO liability at the time the underlying asset is retired. The MISO exit amount represents the costs relating to the withdrawal from MISO membership. KU expects to seek recovery of this asset in future proceedings with the Kentucky and Virginia Commissions. KU currently earns a rate of return on the remaining regulatory assets. Other regulatory assets include the merger surcredit and deferred storm costs. Other regulatory liabilities include DSM and MISO Schedule 10. See Note 1, Summary of Significant Accounting Policies.

Pension and Postretirement Benefits. KU adopted SFAS No. 158 in 2006. This statement requires employers to recognize the over-funded or under-funded status of a defined benefit pension and postretirement plan as an asset or liability in the balance sheet and to recognize through comprehensive income the changes in the funded status in the year in which the changes occur. Under SFAS No. 71, KU can defer recoverable costs that would otherwise be charged to expense or equity by non-regulated entities. Current rate recovery in Kentucky and Virginia is based on SFAS No. 87 and SFAS No. 106, both of which were amended by SFAS No. 158. Regulators have been clear and consistent with their historical treatment of such rate recovery, therefore, KU has recorded a regulatory asset representing the probable recovery of the portion of the change in funded status of the pension and postretirement plans that is expected to be recovered. The regulatory asset will be adjusted annually as prior service cost and actuarial gains and losses are recognized in net periodic benefit cost.

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ARO. A summary of KU's net ARO assets, regulatory assets, liabilities and cost of removal established under FIN 47 and SFAS No. 143, *Accounting for Asset Retirement Obligations*, follows:

(in millions)	ARO Net <u>Assets</u>	ARO <u>Liabilities</u>	Regulatory <u>Assets</u>	Regulatory <u>Liabilities</u>	Accumulated <u>Cost of Removal</u>	Cost of Removal <u>Depreciation</u>
As of December 31, 2004	\$ 7	\$ (21)	\$ 13	\$ (1)	\$ 2	\$ -
FIN 47 net asset additions	1	(5)	4	-	-	-
ARO accretion	-	(1)	1	-	-	-
ARO depreciation	(2)	-	2	-	-	-
Cost of removal depreciation	-	-	-	(1)	-	1
As of December 31, 2005	6	(27)	20	(2)	2	1
ARO accretion	-	(1)	1	-	-	-
ARO depreciation	(1)	-	1	-	-	-
As of December 31, 2006	<u>\$ 5</u>	<u>\$ (28)</u>	<u>\$ 22</u>	<u>\$ (2)</u>	<u>\$ 2</u>	<u>\$ 1</u>

Removal costs incurred in 2005 and 2006 and cost of removal depreciation and FIN 47 net asset additions during 2006 are all less than \$1 million.

Pursuant to regulatory treatment prescribed under SFAS No. 71, an offsetting regulatory credit was recorded in depreciation and amortization in the income statement of \$2 million in 2006 and \$3 million in 2005 for the ARO accretion and depreciation expense. KU AROs are primarily related to the final retirement of assets associated with generating units. For assets associated with AROs, the removal cost accrued through depreciation under regulatory accounting is established as a regulatory asset or liability pursuant to regulatory treatment prescribed under SFAS No. 71. For the years ended December 31, 2006 and 2005, KU recorded less than \$1 million of depreciation expense related to the cost of removal of ARO related assets. An offsetting regulatory liability was established pursuant to regulatory treatment prescribed under SFAS No. 71.

KU transmission and distribution lines largely operate under perpetual property easement agreements which do not generally require restoration upon removal of the property. Therefore, under SFAS No. 143, no material asset retirement obligations are recorded for transmission and distribution assets.

Unamortized Loss on Bonds. The costs of early extinguishment of debt, including call premiums, legal and other expenses, and any unamortized balance of debt expense are amortized over the life of either replacement debt (in the case of refinancing) or the original life of the extinguished debt.

MISO Exit. Following receipt of applicable FERC, Kentucky Commission and other regulatory orders, KU withdrew from the MISO effective September 1, 2006. Specific proceedings regarding the costs and benefits of the MISO and exit matters had been underway since July 2003. Since the exit from the MISO, KU has been operating under a FERC-approved open access-transmission tariff. KU now contracts with the Tennessee Valley Authority to act as its transmission reliability coordinator and Southwest Power Pool, Inc. to function as its independent transmission operator, pursuant to FERC requirements.

KU and the MISO have agreed upon overall calculation methods for the contractual exit fee to be paid by the Company following its withdrawal. In October 2006, KU paid approximately \$20 million to the MISO pursuant to an invoice regarding the exit fee and made related FERC compliance filings. The Company's payment of this exit fee amount was with reservation of its rights to contest the amount, or components thereof, following a

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continuing review of its calculation and supporting documentation. In December 2006, KU provided notice to the MISO of its disagreement with the calculation of the exit fee. KU and the MISO continue to discuss the specifics of the exit fee calculation. The outcome of these discussions and the eventual settlement of the disputed amount cannot be estimated at this time. Orders of the Kentucky Commission approving the Company's exit from the MISO have authorized the establishment of a regulatory asset for the exit fee, subject to adjustment for possible future MISO credits, and a regulatory liability for certain revenues associated with former MISO Schedule 10 charges, which may continue to be collected via base rates. The treatment of the regulatory asset and liability will be determined in KU's next rate case, however, the Company historically has received approval to recover or refund regulatory assets and liabilities.

ECR. Kentucky law permits KU to recover the costs of complying with the Federal Clean Air Act, including a return of operating expenses, and a return of and on capital invested, through the ECR mechanism. The amount of the regulatory asset or liability is the amount that has been under- or over-recovered due to timing or adjustments to the mechanism once approved by the Kentucky Commission.

In April 2006, the Kentucky Commission initiated six-month and two-year reviews of KU's environmental surcharge. A final order was received in January 2007, approving the charges and credits billed through the ECR during the review period as well as approving billing adjustments, a roll-in to base rates, revisions to the monthly surcharge filing and a rate of return on capital.

In June 2004, the Kentucky Commission issued an Order approving a settlement agreement that, among other things, revised the rate of return for KU's post-1994 plan. The Order also approved the elimination of KU's 1994 Plan from its ECR billing mechanism, with all remaining costs associated with that plan to be included in their entirety in base rates.

In December 2004, KU filed an application with the Kentucky Commission for approval of a CCN to construct new SO₂ control technology (FGDs) at the Ghent and Brown stations and to amend its compliance plan to allow recovery of costs associated with new and additional environmental compliance facilities. The estimated capital cost of the additional facilities over the next three years is approximately \$670 million, of which approximately \$630 million is related to the FGDs at Ghent and Brown. Hearings in these cases occurred in May 2005 and final orders were issued in June 2005, granting approval of the CCN and amendments to KU's compliance plan.

In June 2006, KU filed an application for a CCN to construct a SCR at the Ghent station and to amend its ECR plan with the Kentucky Commission seeking approval to recover investments in environmental upgrades at the Company's generating facilities. The estimated capital cost of the upgrades for the years 2007 through 2009 is approximately \$295 million, of which \$175 million is for the Air Quality Control System at TC2 and \$95 million for Ghent's Unit 2 SCR. A final Order was issued by the Kentucky Commission in December 2006 approving all expenditures and investments as submitted.

Merger Surcredit. As part of the LG&E Energy merger with KU Energy Corporation in 1998, KU estimated non-fuel savings over a ten-year period following the merger. Costs to achieve these savings were deferred and amortized over a five-year period pursuant to regulatory orders. In approving the merger, the Kentucky Commission adopted KU's proposal to reduce its retail customers' bills based on one-half of the estimated

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merger-related savings, net of deferred and amortized amounts, over a five-year period. The surcredit mechanism provides that 50% of the net non-fuel cost savings estimated to be achieved from the merger be provided to ratepayers through a monthly bill credit, and 50% be retained by KU over a five-year period. In that same order, the Kentucky Commission required KU, after the end of the five-year period, to present a plan for sharing with ratepayers the then-projected non-fuel savings associated with the merger. KU submitted this filing in January 2003, proposing to continue to share with ratepayers, on a 50%/50% basis, the estimated fifth-year gross level of non-fuel savings associated with the merger. In October 2003, the Kentucky Commission issued an Order approving a settlement agreement reached with the parties in the case. KU's merger surcredit will remain in place for another five-year term beginning July 1, 2003, and the merger savings will continue to be shared 50% with ratepayers and 50% with shareholders.

VDT. In December 2001, the Kentucky Commission issued an Order approving a settlement agreement allowing KU to set up a regulatory asset of \$54 million for the workforce reduction costs and begin amortizing it over a five-year period starting in April 2001. Some employees rescinded their participation in the voluntary enhanced severance program which, along with the non-recurring charge of \$7 million for FERC and Virginia jurisdictions, thereby decreased the original charge to the regulatory asset from \$64 million to \$54 million. The Order reduced revenues by approximately \$11 million through a surcredit on bills to ratepayers over the same five-year period, reflecting a sharing (40% to the ratepayers and 60% to KU) of savings as stipulated by KU, net of amortization costs of the workforce reduction. The five-year VDT amortization period expired in March 2006.

As part of the settlement agreement in the rate case, in September 2005, KU filed with the Kentucky Commission a plan for the future ratemaking treatment of the VDT surcredit and costs. In February 2006, the AG, KIUC and KU reached a settlement agreement on the future ratemaking treatment of the VDT surcredits and costs and subsequently submitted a joint motion to the Kentucky Commission to approve the unanimous settlement agreement. Under the terms of the settlement agreement, the VDT surcredit will continue at the current level until such time as KU files for a change in base rates. The Kentucky Commission issued an Order in March 2006, approving the settlement agreement.

FAC. KU's retail rates contain an FAC, whereby increases or decreases in the cost of fuel for generation are reflected in the rates charged to retail customers. The FAC allows the Company to adjust customers' accounts for the difference between the fuel cost component of base rates and the actual fuel cost, including transportation costs. Refunds to customers occur if the actual costs are below the embedded cost component. Additional charges to customers occur if the actual costs exceed the embedded cost component. The amount of the regulatory asset or liability is the amount that has been under- or over-recovered due to timing or adjustments to the mechanism.

In January 2003, the Kentucky Commission reviewed KU's FAC for the six month period ended October 31, 2001. The Kentucky Commission ordered KU to reduce its fuel costs for purposes of calculating its FAC by less than \$1 million. At issue was the purchase of approximately 102,000 tons of coal from Western Kentucky Energy Corp., a non-regulated affiliate, for use at KU's Ghent facility. The Kentucky Commission further ordered that an independent audit be conducted to examine operational and management aspects of both KU's and LG&E's fuel procurement functions. The final report was issued in February 2004. The report's recommendations related to documentation and process improvements. Management Audit Action Plans were

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agreed upon by KU and the Kentucky Commission Staff in the second quarter of 2004. KU filed its first Audit Progress Report with the Kentucky Commission Staff in November 2004. The second Audit Progress Report was filed in May 2005. The third Audit Progress Report was filed in December 2005. In January 2006, the Kentucky Commission staff informed KU and LG&E that reporting on all of the original recommendations, but one, has been concluded. KU filed another Audit Progress Report on the remaining open recommendation in August 2006.

The Kentucky Commission requires public hearings at six-month intervals to examine past fuel adjustments, and at two-year intervals to review past operations of the fuel clause and transfer of the then current fuel adjustment charge or credit to the base charges. In July 2006, the Kentucky Commission initiated a six-month review of the FAC for KU for the period of November 1, 2005 through April 30, 2006. The Kentucky Commission issued an Order in November 2006 approving the charges and credits billed through the FAC during the review period.

KU also employs an FAC mechanism for Virginia customers that uses an average fuel cost factor based primarily on projected fuel costs. The fuel cost factor may be adjusted annually for over or under collections of fuel costs from the previous year. In February 2006, KU filed an application with the Virginia Commission seeking approval of an increase of approximately \$6 million in its fuel cost factor to reflect higher fuel costs incurred during 2005, and anticipated to be incurred in 2006. The Virginia Commission approved KU's request in April 2006. An FAC filing seeking an approval of an additional increase in KU's fuel cost factor to reflect higher fuel costs was made with the Virginia Commission in February 2007.

In December 2006, the Kentucky Commission initiated a two-year review of KU's past operations of the fuel clause and transfer of fuel costs from the FAC to base rates. KU anticipates Kentucky Commission approval of the charges and credits billed and the fuel procurement practices of KU during the second quarter of 2007.

DSM. KU's rates contain a DSM provision. The provision includes a rate mechanism that provides for concurrent recovery of DSM costs and provides an incentive for implementing DSM programs. The provision allows KU to recover revenues from lost sales associated with the DSM programs based on program plan engineering estimates and post-implementation evaluations.

Deferred Storm Costs. Based on an Order from the Kentucky Commission in September 2004, KU reclassified from maintenance expense to a regulatory asset, \$4 million related to costs not reimbursed from the 2003 ice storm. These costs will be amortized through June 2009. KU earns a return of these amortized costs, which are included in KU's jurisdictional operating expenses.

Accumulated Cost of Removal of Utility Plant. As of December 31, 2006 and 2005, KU has segregated the cost of removal, embedded in accumulated depreciation, of \$297 million and \$281 million, respectively, in accordance with FERC Order No. 631. This cost of removal component is for assets that do not have a legal ARO under SFAS No. 143. For reporting purposes in the balance sheets, KU has presented this cost of removal as a regulatory liability pursuant to SFAS No. 71.

Deferred Income Taxes-Net. Deferred income taxes represent the future income tax effects of recognizing the regulatory assets and liabilities in the income statement. Deferred income taxes are recognized at currently

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enacted tax rates for all material temporary differences between the financial reporting and income tax bases of assets and liabilities.

Other Regulatory Matters

Utility Competition in Virginia. The Commonwealth of Virginia passed the Virginia Electric Utility Restructuring Act in 1999. This act gave Virginia customers the ability to choose their electric supplier. Rates are capped at current levels through December 2010. The Virginia Commission will continue to require each Virginia utility to make annual filings of either a base rate change or an Annual Informational Filing consisting of a set of standard financial schedules. The Virginia Commission Staff will issue a Staff Report regarding the individual utility's financial performance during the historic 12-month period. The Staff Report can lead to an adjustment in rates, but through December 2010, rates are subject to the capped rate period and essentially "frozen". In March 2007, the Virginia General Assembly adopted legislation which will end the cap on rates at the end of 2008, rather than through December 2010, and end customer choice for most consumers in the applicable regions of the state. Thereafter, a hybrid model of regulation would apply in Virginia, whereby utility rates would be reviewed every two years and a utility's rate of return on equity would be based upon the average of the rates of return for other regional utilities, with certain caps, floors or adjustments. As currently drafted, the legislation maintains an existing exemption from restructuring, allowing KU's Virginia service territory to continue under prior traditional utility regulation. KU continues to analyze the potential effects of such legislation on the future rates and operations relating to its Virginia service territory and cannot estimate the impact, if any, at this time.

Regional Reliability Council. KU has changed its regional reliability council membership from the Reliability First Corporation to the Southeastern Electric Reliability Council, effective January 1, 2007. Regional reliability councils are industry consortiums that promote, coordinate and ensure the reliability of the bulk electric supply systems in North America.

TC2 CCN Application. A CCN application for construction of the new, base-load, coal fired unit TC2, which will be jointly-owned by KU and LG&E, was filed with the Kentucky Commission in December 2004, and initial CCN applications for three transmission lines were filed in early 2005, with further applications submitted in December 2005. The proposed air permit was filed with the Kentucky Division for Air Quality in December 2004. In November 2005, the Kentucky Commission approved the application to expand the Trimble County generating station. Kentucky Commission approval for one transmission line CCN was granted in September 2005, and a ruling that a second transmission line was not subject to the CCN process was received in February 2006. The Kentucky Commission granted approval for the remaining transmission line CCN in May 2006. In August 2006, KU obtained dismissal of a judicial review of such CCN approval by certain property owners. A further appeal of such dismissal was thereafter filed, which action remains pending. The transmission lines are also subject to routine regulatory filings and the right-of-way acquisition process. In November 2005, the Kentucky Division for Air Quality issued the final air permit, which was challenged via a request for remand in December 2005 by three environmental advocacy groups, including the Sierra Club. Administrative proceedings with respect to the challenge continued throughout 2006. A ruling may occur during the first half of 2007.

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Ghent FGD Inquiry. In October 2006, the Kentucky Commission commenced an inquiry into elements of KU's planned construction of one of its three new FGD's at the Ghent generating station. The proceeding requested, and KU provided, additional information regarding configuration details, expenditures and the proposed construction sequence applicable to future construction phases of the Ghent FGD project. In January 2007, the Kentucky Commission issued an Order completing its inquiry in the matter and confirming its approval of KU's construction plan. The Order also provided general guidance for jurisdictional utilities regarding applicable information and data requirements for future CCN applications and subsequent proceedings.

Market-Based Rate Authority. Beginning in April 2004, the FERC initiated proceedings to modify its methods used to assess generation market power and has established more stringent interim market screen tests. During 2005, in connection with KU's tri-annual market-based rate tariff renewals, the FERC continued to contend that KU failed such market screens in certain regions. KU disputed this contention.

In July 2006, the FERC issued an Order in KU's market-based rate proceeding accepting KU's further proposal to address certain market power issues the FERC had claimed would arise upon an exit from the MISO. In particular, KU received permission to sell power at market-based rates at the interface of control areas in which they may be deemed to have market power, subject to a restriction that such power not be collusively re-sold back into such control areas. However, restrictions exist on sales by KU of power at market-based rates in the KU/LG&E and Big Rivers Electric Corporation control areas. Certain general FERC proceedings continue with respect to market-based rate matters, and KU's market-based rate authority is subject to such future developments. KU cannot predict the ultimate impact of the current or potential mitigation mechanisms on its future wholesale power sales.

FERC Audit Results. In July 2006, the FERC issued a final report under a routine audit that its Office of Enforcement (formerly its Office of Market Oversight and Investigations) had conducted regarding the compliance of E.ON U.S. and subsidiaries, including KU, under the FERC's standards of conduct and codes of conduct requirements, as well as other areas. The final report contained certain findings calling for improvements in E.ON U.S. and subsidiaries' structures, policies and procedures relating to transmission, generation dispatch, energy marketing and other practices. E.ON U.S. and subsidiaries have agreed to certain corrective actions and have submitted procedures related to such corrective actions to the FERC. The corrective actions are in the nature of organizational and operational improvements as described above and are not expected to have a material adverse impact on the Company's results of operations or financial condition.

IRP. Integrated resource planning regulations in Kentucky require major utilities to make triennial IRP filings with the Kentucky Commission. In April 2005, KU and LG&E filed their 2005 joint IRP with the Kentucky Commission. The IRP provides historical and projected demand, resource and financial data, and other operating performance and system information. The AG and the KIUC were granted intervention in the IRP proceeding. The Kentucky Commission issued its staff report with no substantive issues noted and closed the case by Order in February 2006.

PUHCA 2005. E.ON, KU's ultimate parent, is a registered holding company under PUHCA 2005. E.ON, its utility subsidiaries, including KU, and certain of its non-utility subsidiaries are subject to extensive regulation by the FERC with respect to numerous matters, including: electric utility facilities and operations, wholesale

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sales of power and related transactions, accounting practices, issuances and sales of securities, acquisitions and sales of utility properties, payments of dividends out of capital and surplus, financial matters and inter-system sales of non-power goods and services. KU believes that it has adequate authority (including financing authority) under existing FERC orders and regulations to conduct its business and will seek additional authorization when necessary.

EPAct 2005. The EPAct 2005 was enacted in August 2005. Among other matters, this comprehensive legislation contains provisions mandating improved electric reliability standards and performance; providing economic and other incentives relating to transmission, pollution control and renewable generation assets; increasing funding for clean coal generation incentives; repealing PUHCA 1935; enacting PUHCA 2005 and expanding FERC jurisdiction over public utility holding companies and related matters via the Federal Power Act and PUHCA 2005.

The FERC was directed by the EPAct 2005 to adopt rules to address many areas previously regulated by the other agencies under other statutes, including PUHCA 1935. The FERC is in various stages of rulemaking on these issues and KU is monitoring these rulemaking activities and actively participating in these and other rulemaking proceedings. KU is still evaluating the potential impacts of the EPAct 2005 and the associated rulemakings and cannot predict what impact the EPAct 2005, and any such rulemakings, will have on its operations or financial position.

In February 2006, the Kentucky Commission initiated an administrative proceeding to consider the requirements of the EPAct 2005, Subtitle E Section 1252, Smart Metering, which concerns time-based metering and demand response, and Section 1254, Interconnections. EPAct 2005 requires each state regulatory authority to conduct a formal investigation and issue a decision on whether or not it is appropriate to implement certain Section 1252, Smart Metering standards within eighteen months after the enactment of EPAct 2005 and to commence consideration of Section 1254, Interconnection standards within one year after the enactment of EPAct 2005. The Kentucky Commission held a public hearing in July 2006 in this proceeding with all Kentucky jurisdictional electric utilities. In December 2006, the Kentucky Commission issued an Order in this proceeding indicating that the EPAct 2005 Section 1252, Smart Metering and Section 1254, Interconnection standards should not be adopted. However, all five Kentucky Commission jurisdictional utilities are required to file real-time pricing pilot programs for their larger commercial and industrial customers. KU will develop a real-time pricing pilot for large industrial and commercial customers and file the details of the real-time pricing pilot with the Kentucky Commission in April 2007.

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Note 3 - Financial Instruments

The cost and estimated fair values of KU's non-trading financial instruments as of December 31 follow:

(in millions)	<u>2006</u>		<u>2005</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Long-term debt (including current portion)	\$360	\$360	\$363	\$363
Long-term debt from affiliate (including current portion)	\$483	\$487	\$383	\$382
Interest-rate swaps-asset	\$ -	\$ -	\$ 1	\$ 1

All of the above valuations reflect prices quoted by exchanges except for the swaps and intercompany loans. The fair values of the swaps and intercompany loans reflect price quotes from dealers or amounts calculated using accepted pricing models. The fair values of cash and cash equivalents, accounts receivable, cash surrender value of key man life insurance, accounts payable and notes payable are substantially the same as their carrying values.

Interest Rate Swaps (hedging derivatives). KU uses over-the-counter interest rate swaps to hedge exposure to market fluctuations in certain of its debt instruments. Pursuant to Company policy, use of these financial instruments is intended to mitigate risk, earnings and cash flow volatility and is not speculative in nature. Management has designated all of the interest rate swaps as hedge instruments. Financial instruments designated as fair value hedges and the underlying hedged items are periodically marked to market with the resulting net gains and losses recorded directly into net income. Upon termination of any fair value hedge, the resulting gain or loss is recorded into net income. Financial instruments designated as cash flow hedges have resulting gains and losses recorded within other comprehensive income and stockholders' equity.

KU was party to an interest rate swap agreement with a notional amount of \$53 million as of December 31, 2006 and 2005. Under this swap agreement, KU paid variable rates based on the London Interbank Offer Rate averaging 7.44% and 6.41% at December 31, 2006 and 2005, respectively, and received fixed rates averaging 7.92% at December 31, 2006 and 2005. The swap agreement in effect at December 31, 2006 has been designated as a fair value hedge and matures in 2007. The fair value designation was assigned because the underlying fixed rate debt has a firm future commitment. For 2006 and 2005, the effect of marking these financial instruments and the underlying debt to market resulted in pre-tax gains of less than \$1 million recorded in interest expense. The interest rate swap was terminated in February 2007 when the underlying debt was defeased.

Interest rate swaps hedge interest rate risk on the underlying debt under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended, in addition to swaps being marked to market, the item being hedged must also be marked to market, consequently at December 31, 2006 and 2005, KU's debt reflects a mark-to-market adjustment of \$1 million and \$2 million, respectively.

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Energy Risk Management Activities (non-hedging derivatives). KU conducts energy trading and risk management activities to maximize the value of power sales from physical assets it owns. Energy trading activities are principally forward financial transactions to hedge price risk and are accounted for on a mark-to-market basis in accordance with SFAS No. 133, as amended. Prior to the MISO establishing its Day 2 energy market in April 2005, wholesale forward transactions were primarily physically settled and thus were treated as normal sales under SFAS No. 133, as amended, and were not marked to market. The table below summarizes KU's energy trading and risk management activities:

(in millions)	<u>2006</u>	<u>2005</u>
Fair value of contracts at beginning of period, net asset	\$ 1	\$ -
Fair value of contracts when entered into during the period	3	1
Contracts realized or otherwise settled during the period	(6)	-
Changes in fair values due to changes in assumptions	<u>3</u>	<u>-</u>
Fair value of contracts at end of period, net asset	<u>\$ 1</u>	<u>\$ 1</u>

No changes to valuation techniques for energy trading and risk management activities occurred during 2006 or 2005. Changes in market pricing, interest rate and volatility assumptions were made during both years. All contracts outstanding at December 31, 2006 and 2005, have a maturity of less than one year and are valued using prices actively quoted for proposed or executed transactions or quoted by brokers.

KU maintains policies intended to minimize credit risk and revalues credit exposures daily to monitor compliance with those policies. At December 31, 2006, 100% of the trading and risk management commitments were with counterparties rated BBB-/Baa3 equivalent or better.

KU hedges the price volatility of its forecasted electric off-system sales with the sales of market-traded electric forward contracts for periods of less than one year. These electric forward sales have been designated as cash flow hedges and are not speculative in nature. Gains or losses on these instruments, to the extent that the hedging relationship has been effective, are deferred in other comprehensive income. Gains and losses resulting from ineffectiveness are shown in the statements of income in other income-net. Upon completion of the underlying hedge transaction, the amount recorded in other comprehensive income is recorded in earnings. No material pre-tax gains and losses resulted from these cash flow hedges in 2006 and 2005.

Note 4 - Concentrations of Credit and Other Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. Concentrations of credit risk (whether on- or off-balance sheet) relate to groups of customers or counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

KU's customer receivables and revenues arise from deliveries of electricity to approximately 501,000 customers in over 600 communities and adjacent suburban and rural areas in 77 counties in central, southeastern and western Kentucky, to approximately 30,000 customers in five counties in southwestern Virginia and 5 customers in Tennessee. For the years ended December 31, 2006 and 2005, 100% of total utility revenue was derived from electric operations.

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Effective August 1, 2006, KU and its employees represented by the IBEW Local 2100 entered into a new three-year collective bargaining agreement. The new agreement provides for negotiated increases or changes to wages, benefits or other provisions and for annual wage re-openers. KU and its employees represented by the USWA Local 9447-01 entered into a three-year collective bargaining agreement effective August 2005 with authorized annual wage re-openers. The employees represented by these two bargaining units comprise approximately 16% of KU's workforce at December 31, 2006.

Note 5 - Pension and Other Postretirement Benefit Plans

KU has both funded and unfunded non-contributory defined benefit pension plans and other postretirement benefit plans that together cover substantially all of its employees. The healthcare plans are contributory with participants' contributions adjusted annually. KU uses December 31 as the measurement date for its plans.

Obligations and Funded Status. The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ending December 31, 2006, and a statement of the funded status as of December 31 for KU's sponsored defined benefit plans:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 318	\$ 291	\$ 95	\$ 100
Service cost	6	5	2	2
Interest cost	17	16	5	5
Benefits paid, net of retiree contributions	(19)	(20)	(5)	(5)
Actuarial (gain) or loss and other	(19)	26	(9)	(7)
Benefit obligation at end of year	<u>\$ 303</u>	<u>\$ 318</u>	<u>\$ 88</u>	<u>\$ 95</u>
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 247	\$ 248	\$ 9	\$ 6
Actual return on plan assets	26	21	1	1
Employer contributions	-	-	7	7
Benefits paid, net of retiree contributions	(19)	(20)	-	(5)
Administrative expenses	(1)	(2)	(5)	-
Fair value of plan assets at end of year	<u>\$ 253</u>	<u>\$ 247</u>	<u>\$ 12</u>	<u>\$ 9</u>
Funded status at end of year	<u>\$ (50)</u>	<u>\$ (71)</u>	<u>\$ (76)</u>	<u>\$ (86)</u>

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Amounts Recognized in Statement of Financial Position. The following tables provide the amounts recognized in the balance sheet and information for plans with benefit obligations in excess of plan assets as of December 31:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
Prior to the application of SFAS No. 158:				
Accrued benefit liability	\$ (4)	\$ (22)	\$ (71)	\$ (70)
Intangible asset	6	7	-	-
Accumulated other comprehensive income	7	32	-	-
After the application of SFAS No. 158:				
Regulatory assets	59	-	5	-
Accrued benefit liability	(50)	(22)	(76)	(70)

The following table shows the calculation of the accrued benefit liability at December 31:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
Funded status	\$ (50)	\$ (71)	\$ (76)	\$ (86)
Unrecognized prior service costs	N/A	-	N/A	1
Unrecognized actuarial (gain) loss	N/A	81	N/A	7
Unrecognized transition obligation	N/A	-	N/A	8
Other comprehensive income	N/A	(32)	N/A	-
Accrued benefit liability	\$ (50)	\$ (22)	\$ (76)	\$ (70)

Additional year-end information for plans with accumulated benefit obligations in excess of plan assets:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
Benefit obligation	\$ 303	\$ 318	\$ 88	\$ 95
Accumulated benefit obligation	258	270	-	-
Fair value of plan assets	253	247	12	9

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Components of Net Periodic Benefit Cost. The following table provides the components of net periodic benefit cost for the plans:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
Service cost	\$ 6	\$ 5	\$ 2	\$ 2
Interest cost	17	16	5	5
Expected return on plan assets	(20)	(19)	(1)	(1)
Amortization of prior service costs	1	1	1	1
Amortization of actuarial loss	4	2	-	-
Amortization of transitional obligation	-	-	1	1
Benefit cost at end of year	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 8</u>

The assumptions used in the measurement of KU's pension benefit obligation are shown in the following table:

	<u>2006</u>	<u>2005</u>
Weighted-average assumptions as of December 31:		
Discount rate	5.96%	5.50%
Rate of compensation increase	5.25%	5.25%

The discount rate is based on the November Mercer Pension Discount Yield Curve, adjusted by the basis point change in the Moody's Corporate Aa Bond Rate in December.

The assumptions used in the measurement of KU's net periodic benefit cost are shown in the following table:

	<u>2006</u>	<u>2005</u>
Discount rate	5.50%	5.75%
Expected long-term return on plan assets	8.25%	8.25%
Rate of compensation increase	5.25%	4.50%

To develop the expected long-term rate of return on assets assumption, KU considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The following describes the effects on pension benefits by changing the major actuarial assumptions discussed above:

A 1% change in the assumed discount rate could have an approximate \$32 million positive or negative impact to the 2006 accumulated benefit obligation and an approximate \$43 million positive or negative impact to the 2006 projected benefit obligation.

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A 25 basis point change in the expected rate of return on assets would have an approximate \$1 million positive or negative impact on 2006 pension expense.

Assumed Healthcare Cost Trend Rates. For measurement purposes, a 10% annual increase in the per capita cost of covered healthcare benefits was assumed for 2006. The rate was assumed to decrease gradually to 5% by 2015 and remain at that level thereafter.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A 1% change in assumed healthcare cost trend rates would have resulted in an increase or decrease of less than \$1 million on the 2006 total of service and interest costs components and an increase or decrease of \$5 million in year-end 2006 postretirement benefit obligations.

Expected Future Benefit Payments and Medicare Subsidy Receipts. The following list provides the amount of expected future benefit payments, which reflect expected future service and the estimated gross amount of medicare subsidy receipts:

(in millions)	Pension Plans	Other Postretirement Benefits	Medicare Subsidy Receipts
2007	\$ 19	\$7	\$ -
2008	18	7	(1)
2009	18	7	(1)
2010	17	8	(1)
2011	17	8	(1)
2012-16	87	40	(3)

Plan Assets. The following table shows KU's weighted-average asset allocation by asset category at December 31:

	Target Range	2006	2005
<u>Pension Plans:</u>			
Equity securities	45% - 75%	61%	57%
Debt securities	30% - 50%	39%	42%
Other	0% - 10%	0%	1%
Totals		<u>100%</u>	<u>100%</u>

The investment policy of the pension plans was developed in conjunction with financial consultants, investment advisors and legal counsel. The goal of the investment policy is to preserve the capital of the fund and maximize investment earnings. The return objective is to exceed the benchmark return for the policy index comprised of the following: Russell 3000 Index, MSCI-EAFE Index, Lehman Aggregate and Lehman Long Duration Gov/Corporate Bond Index in proportions equal to the targeted asset allocation.

Evaluation of performance focuses on a long-term investment time horizon of at least three to five years or a complete market cycle. The assets of the pension plans are broadly diversified within different asset classes (equities, fixed income securities and cash equivalents).

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To minimize the risk of large losses in a single asset class, no more than 5% of the portfolio will be invested in the securities of any one issuer with the exclusion of the U.S. government and its agencies. The equity portion of the fund is diversified among the market's various subsections to diversify risk, maximize returns and avoid undue exposure to any single economic sector, industry group or individual security. The equity subsectors include, but are not limited to, growth, value, small capitalization and international.

In addition, the overall fixed income portfolio may have an average weighted duration, or interest rate sensitivity which is within +/- 20% of the duration of the overall fixed income benchmark. Foreign bonds in the aggregate shall not exceed 10% of the total fund. The portfolio may include a limited investment of up to 20% in below investment grade securities provided that the overall average portfolio quality remains "AA" or better. The below investment grade securities include, but are not limited to, medium-term notes, corporate debt, non-dollar and emerging market debt and asset backed securities. The cash investments should be in securities that either are of short maturities (not to exceed 180 days) or readily marketable with modest risk.

Derivative securities are permitted only to improve the portfolio's risk/return profile, to modify the portfolio's duration or to reduce transaction costs and must be used in conjunction with underlying physical assets in the portfolio. Derivative securities that involve speculation, leverage, interest rate anticipation, or any undue risk whatsoever are not deemed appropriate investments.

The investment objective for the postretirement benefit plan is to provide current income consistent with stability of principal and liquidity while maintaining a stable net asset value of \$1.00 per share. The postretirement funds are invested in a prime cash money market fund that invests primarily in a portfolio of short-term, high-quality fixed income securities issued by banks, corporations and the U.S. government.

Contributions. KU did not make a contribution to the pension plan in 2005 or 2006, but did make a contribution of \$13 million in January 2007. After this payment, KU's pension plan assets are in excess of the December 31, 2006 accumulated benefit obligation. KU does not expect to make any further contributions in 2007. See Note 13, Subsequent Events.

In addition, KU made contributions to the other postretirement benefit plans of approximately \$7 million in 2006 and 2005. In 2007, KU anticipates making voluntary contributions to fund the Voluntary Employee Beneficiary Association (VEBA) trusts to match the annual postretirement expense and funding the 401(h) plan up to the maximum amount allowed by law.

Pension Legislation. The Pension Protection Act of 2006 was enacted in August 2006. The new rules are generally effective for plan years beginning after 2008. Among other matters, this comprehensive legislation contains provisions applicable to defined benefit plans which generally (i) mandate 100% funding of current liabilities within seven years; (ii) increase tax-deduction levels regarding contributions; (iii) revise certain actuarial assumptions, such as mortality tables and discount rates; and (iv) raise federal insurance premiums and other fees for under-funded and distressed plans. The legislation also contains similar provisions relating to defined-contribution plans and qualified and non-qualified executive pension plans and other matters. KU continues to examine the potential impacts of the Pension Protection Act of 2006. KU's \$13 million contribution in January 2007 resulted in assets that are in excess of the December 31, 2006 accumulated benefit obligation.

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Thrift Savings Plans. KU has a thrift savings plan under section 401(k) of the Internal Revenue Code. Under the plan, eligible employees may defer and contribute to the plan a portion of current compensation in order to provide future retirement benefits. KU makes contributions to the plan by matching a portion of the employee contributions. The costs of this matching were approximately \$2 million for 2006 and 2005.

Note 6 - Income Taxes

Components of income tax expense are shown in the table below:

(in millions)	<u>2006</u>	<u>2005</u>
Current - federal	\$ 51	\$ 57
- state	11	11
Deferred - federal – net	-	(2)
- state – net	1	-
Investment tax credit-deferred	12	-
Amortization of investment tax credit	<u>(1)</u>	<u>(2)</u>
Total income tax expense	<u>\$ 74</u>	<u>\$ 64</u>

In June 2006, KU and LG&E filed a joint application with the Department of Energy requesting certification to be eligible for investment tax credits applicable to the construction of TC2. The EPAct 2005 added Section 48A to the Internal Revenue Code, which provides for an investment tax credit to promote the commercialization of advanced coal technologies that will generate electricity in an environmentally responsible manner. KU's and LG&E's application requested up to a maximum amount of "advanced coal project" credit allowed per taxpayer, or \$125 million, based on an estimate of 15% of projected qualifying TC2 expenditures.

In November 2006, the Department of Energy and the Internal Revenue Service announced that KU and LG&E were selected to receive the tax credit. KU's portion of the tax credit will be approximately \$101 million over the construction period of TC2. This tax credit will be amortized to income over the life of the related property. In 2006, based on eligible construction expenditures incurred in 2006, KU recorded a federal investment tax credit, decreasing current federal income taxes in 2006 by \$12 million.

H. R. 4520, known as the "American Jobs Creation Act of 2004" allows electric utilities to take a deduction of up to 3% of their qualified production activities income starting in 2005. This deduction reduced KU's effective tax rate by less than 1% for 2006.

Components of net deferred tax liabilities included in the balance sheet are shown below:

(in millions)	<u>2006</u>	<u>2005</u>
Deferred tax liabilities:		
Depreciation and other plant-related items	\$291	\$301
Regulatory assets and other	<u>37</u>	<u>26</u>
Total deferred tax liabilities	<u>328</u>	<u>327</u>

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Deferred tax assets:

Income taxes due to customers	10	9
Pensions and related benefits	11	23
Liabilities and other	<u>23</u>	<u>21</u>
Total deferred tax assets	<u>44</u>	<u>53</u>

Net deferred income tax liability	<u>\$284</u>	<u>\$274</u>
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A reconciliation of differences between the statutory U.S. federal income tax rate and KU's effective income tax rate follows:

	<u>2006</u>	<u>2005</u>
Statutory federal income tax rate	35.0%	35.0%
State income taxes, net of federal benefit	3.9	3.9
Reduction of income tax accruals	(0.5)	(2.7)
EEI undistributed earnings adjustment	-	1.8
EEI dividend	(3.4)	-
Amortization of investment tax credit	(0.5)	(1.0)
Other differences	<u>(1.8)</u>	<u>(0.6)</u>
Effective income tax rate	<u>32.7%</u>	<u>36.4%</u>

Other differences primarily relate to excess deferred taxes which reflect the benefits of deferred taxes reversing at tax rates that differ from statutory rates and various other permanent differences.

The EEI dividend for 2006 reflects tax benefits associated with the receipt of dividends from KU's investment in EEI. KU recognized additional deferred income tax expense in the third quarter of 2005 (\$3 million) related to the undistributed earnings of its EEI unconsolidated investment. Subsequent to an EEI management decision regarding changes in the distribution of EEI's previous earnings, KU elected to provide deferred taxes for all book and tax temporary differences in this investment.

In September 2005, KU received notice from the Congressional Joint Committee on Taxation approving the Internal Revenue Service's audit of KU's income tax returns for the periods December 1999 through December 2003. As a result of resolving numerous tax matters during these periods, KU reduced income tax accruals by \$5 million during 2005.

Kentucky House Bill 272, also known as "Kentucky's Tax Modernization Plan", was signed into law in March 2005. This bill contains a number of changes in Kentucky's tax system, including the reduction of the Corporate income tax rate from 8.25% to 7% effective January 1, 2005, and a further reduction to 6% effective January 1, 2007. As a result of the income tax rate change, KU's deferred tax reserve amount will exceed its actual deferred tax liability attributable to existing temporary differences, since the new statutory rates are lower than the rates were when the deferred tax liability originated. This excess amount is referred to as excess deferred income taxes. In June 2005 and December 2006, KU received approval from the Kentucky Commission to establish and amortize a regulatory liability (\$11 million) for its net excess deferred income tax balances. KU will amortize its depreciation-related excess deferred income tax balances under the average rate assumption

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method. The average rate assumption method matches the amortization of the excess deferred income taxes with the life of the timing differences to which they relate. Excess deferred income tax balances related to non-depreciation timing differences were expensed in 2005 and 2006 due to their immaterial amount.

KU expects to have adequate levels of taxable income to realize its recorded deferred tax assets.

Note 7 - Long-Term Debt

As of December 31, 2006 and 2005, long-term debt and the current portion of long-term debt consist primarily of first mortgage bonds, pollution control bonds and long-term loans from affiliated companies as summarized below.

(in millions)	<u>Stated Interest Rates</u>	<u>Maturities</u>	<u>Principal Amounts</u>
Outstanding at December 31, 2006:			
Noncurrent portion	Variable – 6.33%	2010-2036	\$702
Current portion	Variable – 7.92%	2007-2032	\$141
Outstanding at December 31, 2005:			
Noncurrent portion	Variable – 7.92%	2007-2035	\$623
Current portion	Variable – 5.99%	2006-2032	\$123

Under the provisions for KU's variable-rate pollution control bonds, Series 10, 12, 13, 14 and 15, the bonds are subject to tender for purchase at the option of the holder and to mandatory tender for purchase upon the occurrence of certain events, causing the bonds to be classified as current portion of long-term debt in the balance sheets. The average annualized interest rate for these bonds during 2006 and 2005 was 3.56% and 2.55%, respectively.

Pollution control series bonds are obligations of KU issued in connection with tax-exempt pollution control revenue bonds issued by various governmental entities, principally counties in Kentucky. A loan agreement obligates KU to make debt service payments to the county that equate to the debt service due from the county on the related pollution control revenue bonds. Until a series of financing transactions completed during February 2007, the county's debt was also secured by an equal amount of KU's first mortgage bonds that were pledged to the trustee for the pollution control revenue bonds, and that match the terms and conditions of the county's debt, but require no payment of principal and interest unless KU defaults on the loan agreement.

Interest rate swaps are used to hedge KU's underlying debt obligations. These swaps hedge specific debt issuances and, consistent with management's designation, are accorded hedge accounting treatment. The swaps effectively convert fixed rate obligations on KU's first mortgage bonds Series P to variable-rate obligations. As of December 31, 2006 and 2005, KU had one remaining swap with a notional value of \$53 million. This swap was terminated in February 2007, when the underlying bond was defeased. See Note 3, Financial Instruments.

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Redemptions and maturities of long-term debt for 2006 and 2005 are summarized below:

(\$ in millions)		Principal		Secured/	
<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Rate</u>	<u>Unsecured</u>	<u>Maturity</u>
2006	First mortgage bonds	\$36	5.99%	Secured	Jan 2006
2005	First mortgage bonds	\$50	7.55%	Secured	Jun 2025
2005	Due to Fidelia	\$75	2.29%	Secured	Dec 2005

Issuances of long-term debt for 2006 and 2005 are summarized below:

(\$ in millions)		Principal		Secured/	
<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Rate</u>	<u>Unsecured</u>	<u>Maturity</u>
2006	Due to Fidelia	\$50	5.675%	Unsecured	Oct 2016
2006	Due to Fidelia	\$50	6.33%	Unsecured	Jun 2036
2006	Pollution control bonds	\$17	Variable	Secured	Jun 2036
2006	Pollution control bonds	\$17	Variable	Secured	Jun 2036
2005	Pollution control bonds	\$13	Variable	Secured	Jun 2035
2005	Pollution control bonds	\$13	Variable	Secured	Jun 2035
2005	Due to Fidelia	\$50	4.735%	Unsecured	Jul 2015
2005	Due to Fidelia	\$75	5.36%	Unsecured	Dec 2015

In May 2005, KU repaid a \$27 million loan against the cash surrender value of life insurance policies.

In October 2005, KU redeemed all of its outstanding shares of preferred stock for \$41 million. KU paid \$101 per share for the 4.75% Series and \$102.939 per share for the 6.53% Series.

In February 2007, KU completed a series of financial transactions impacting its periodic reporting requirements. The \$54 million Pollution Control Series 10 bond was refinanced and replaced with a new unsecured tax-exempt bond of the same amount maturing in 2034. The \$53 million Series P bond was defeased and replaced with an intercompany loan totaling \$53 million from Fidelia. In conjunction with the defeasance, the Company terminated the related interest rate swap. Fidelia also agreed to eliminate the second lien on its two secured loans. Pursuant to the terms of the remaining tax-exempt bonds, the first mortgage bonds were cancelled and the underlying lien on substantially all of KU's assets was released following the completion of these steps. KU no longer has any secured debt and is no longer subject to periodic reporting under the Securities Exchange Act of 1934. See Note 13, Subsequent Events.

Long-term debt maturities for KU are shown in the following table:

(in millions)	
2007	\$ 53
2008-09	-
2010	33
2011	-
Thereafter	<u>757</u> (a)
Total	<u>\$843</u>

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- (a) Includes long-term debt of \$87 million classified as current liabilities because these bonds are subject to tender for purchase at the option of the holder and to mandatory tender for purchase upon the occurrence of certain events. Maturity dates for these bonds range from 2024 to 2032. KU does not expect to pay these amounts in 2007.

Note 8 - Notes Payable and Other Short-Term Obligations

KU participates in an intercompany money pool agreement wherein E.ON U.S. and/or LG&E make funds available to KU at market-based rates (based on an index of highly rated commercial paper issues) up to \$400 million.

(\$ in millions)	<u>Total Money Pool Available</u>	<u>Amount Outstanding</u>	<u>Balance Available</u>	<u>Average Interest Rate</u>
December 31, 2006	\$400	\$97	\$303	5.25%
December 31, 2005	\$400	\$70	\$330	4.21%

As of December 31, 2006 and 2005, E.ON U.S. maintained a revolving credit facility totaling \$200 million with an affiliated company, E.ON North America, Inc., to ensure funding availability for the money pool. The balance is as follows:

(\$ in millions)	<u>Total Available</u>	<u>Amount Outstanding</u>	<u>Balance Available</u>	<u>Average Interest Rate</u>
December 31, 2006	\$200	\$102	\$98	5.49%
December 31, 2005	\$200	\$105	\$95	4.49%

Note 9 - Commitments and Contingencies

Operating Leases. KU leases office space, office equipment and vehicles and accounts for these leases as operating leases. In addition, KU reimburses LG&E for a portion of the lease expense paid by LG&E for KU's usage of office space leased by LG&E. Total lease expense was \$6 million and \$3 million for 2006 and 2005, respectively. The future minimum annual lease payments for operating leases for years subsequent to December 31, 2006, are shown in the following table:

(in millions)	
2007	\$ 6
2008	5
2009	3
2010	2
2011	2
Thereafter	<u>5</u>
Total	<u>\$23</u>

Owensboro Contract Litigation. In May 2004, the City of Owensboro, Kentucky and OMU commenced a suit now removed to the U.S. District Court for the Western District of Kentucky, against KU concerning a

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long-term power supply contract (the "OMU Agreement") with KU. The dispute involves interpretational differences regarding issues under the OMU Agreement, including various payments or charges between KU and OMU and rights concerning excess power, termination and emissions allowances. The complaint seeks in excess of \$6 million in damages in connection with one of its claims for periods prior to 2004, plus damages in an unspecified amount for later-occurring periods on that claim and for other claims. OMU has additionally requested injunctive and other relief, including a declaration that KU is in material breach of the contract. KU has filed an answer in that court denying the OMU claims and presenting counterclaims and amended such filing in January 2007, to include further counterclaims alleging additional damages. During 2005, the FERC declined KU's application to exercise exclusive jurisdiction on matters. In July 2005, the district court resolved a summary judgment motion made by KU in OMU's favor, ruling that a contractual provision grants OMU the ability to terminate the contract without cause upon four years' prior notice, for which ruling KU retains certain rights to appeal. At this time, the district court case is in the discovery stage and currently a trial date of January 2008 has been scheduled. In May 2006, OMU issued a notification of its intent to terminate the OMU agreement contract in May 2010, without cause, absent any earlier relief which may be permitted by the proceeding.

Sale and Leaseback Transaction. KU is a participant in a sale and leaseback transaction involving its 62% interest in two jointly-owned CTs at KU's E.W. Brown generating station (Units 6 and 7). Commencing in December 1999, KU and LG&E entered into a tax-efficient, 18-year lease of the CTs. KU and LG&E have provided funds to fully defease the lease, and have executed an irrevocable notice to exercise an early purchase option contained in the lease after 15.5 years. The financial statement treatment of this transaction is no different than if KU had retained its ownership. The leasing transaction was entered into following receipt of required state and federal regulatory approvals.

In case of default under the lease, KU is obligated to pay to the lessor its share of certain fees or amounts. Primary events of default include loss or destruction of the CTs, failure to insure or maintain the CTs and unwinding of the transaction due to governmental actions. No events of default currently exist with respect to the lease. Upon any termination of the lease, whether by default or expiration of its term, title to the CTs reverts jointly to KU and LG&E.

At December 31, 2006, the maximum aggregate amount of default fees or amounts was \$9 million, of which KU would be responsible for 62% (approximately \$6 million). KU has made arrangements with E.ON U.S., via guarantee and regulatory commitment, for E.ON U.S. to pay KU's full portion of any default fees or amounts.

Letter of Credit. KU has provided a letter of credit totaling less than \$1 million to support certain obligations related to workers' compensation.

Purchased Power. KU has purchased power arrangements with OMU and OVEC. Under the OMU agreement, which could last through January 1, 2020, KU purchases all of the output of an approximately 400-Mw coal-fired generating station not required by OMU. The amount of purchased power available to KU during 2007-2010, which is expected to be approximately 8% of KU's total Kwh native load energy requirements, is dependent upon a number of factors including the OMU units' availability, maintenance schedules, fuel costs and OMU requirements. Payments are based on the total costs of the station allocated per terms of the OMU agreement. Included in the total costs is KU's proportionate share of debt service requirements on \$266 million of OMU bonds outstanding at December 31, 2006. The debt service is allocated to KU based on its annual

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allocated share of capacity, which averaged approximately 41% in 2006. KU does not guarantee the OMU bonds, or any requirements therein, in the event of default by OMU.

KU has a contract for purchased power with OVEC for various Mw capacities. KU has an investment of 2.5% ownership in OVEC's common stock, which is accounted for on the cost method of accounting. KU's share of OVEC's output is 2.5%, approximately 55 Mw of generation capacity. Future obligations for power purchases are shown in the following table:

(in millions)	
2007	\$ 22
2008	24
2009	23
2010	25
2011	25
Thereafter	<u>306</u>
Total	<u>\$425</u>

Construction Program. KU had approximately \$1.1 billion of commitments in connection with its construction program at December 31, 2006.

In June 2006, KU and LG&E entered into a construction contract regarding the TC2 project. The contract is generally in the form of a lump-sum, turnkey agreement for the design, engineering, procurement, construction, commissioning, testing and delivery of the project, according to designated specifications, terms and conditions. The contract price and its components are subject to a number of potential adjustments which may serve to increase or decrease the ultimate construction price paid or payable to the contractor. The contract also contains standard representations, covenants, indemnities, termination and other provisions for arrangements of this type, including termination for convenience or for cause rights.

Environmental Matters. KU's operations are subject to a number of environmental laws and regulations in each of the jurisdictions in which it operates, governing, among other things, air emissions, wastewater discharges, the use, handling and disposal of hazardous substances and wastes, soil and groundwater contamination and employee health and safety.

Clean Air Act Requirements. The Clean Air Act establishes a comprehensive set of programs aimed at protecting and improving air quality in the United States by, among other things, controlling stationary sources of air emissions such as power plants. While the general regulatory framework for these programs is established at the federal level, most of the programs are implemented and administered by the states under the oversight of the EPA. The key Clean Air Act programs relevant to KU's business operations are described below.

Ambient Air Quality. The Clean Air Act requires the EPA to periodically review the available scientific data for six criteria pollutants and establish concentration levels in the ambient air sufficient to protect the public health and welfare with an extra margin for safety. These concentration levels are known as national ambient air quality standards ("NAAQS"). Each state must identify "nonattainment areas" within its boundaries that fail to

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comply with the NAAQS and develop a SIP to bring such nonattainment areas into compliance. If a state fails to develop an adequate plan, the EPA must develop and implement a plan. As the EPA increases the stringency of the NAAQS through its periodic reviews, the attainment status of various areas may change, thereby triggering additional emission reduction obligations under revised SIPs aimed to achieve attainment.

In 1997, the EPA established new NAAQS for ozone and fine particulates that required additional reductions in SO₂ and NO_x emissions from power plants. In 1998, the EPA issued its final "NO_x SIP Call" rule requiring reductions in NO_x emissions of approximately 85 percent from 1990 levels in order to mitigate ozone transport from the midwestern U.S. to the northeastern U.S. To implement the new federal requirements, in 2002, Kentucky amended its SIP to require electric generating units to reduce their NO_x emissions to 0.15 pounds weight per MMBtu on a company-wide basis. In 2005, the EPA issued the CAIR which requires additional SO₂ emission reductions of 70 percent and NO_x emission reductions of 65 percent from 2003 levels. The CAIR provides for a two-phase cap and trade program, with initial reductions of NO_x and SO₂ emissions due by 2009 and 2010, respectively, and final reductions due by 2015. The final rule is currently under challenge in a number of federal court proceedings. In 2006, Kentucky proposed to amend its SIP to adopt state requirements similar to those under the federal CAIR. Depending on the level of action determined necessary to bring local non-attainment areas into compliance with the new ozone and fine particulate standards, KU's power plants are potentially subject to additional reductions in SO₂ and NO_x emissions. KU's weighted-average company-wide emission rate for SO₂ in 2006 was approximately 1.25 lbs./MMBtu of heat input, with every generating unit below its emission limit established by the Kentucky Division for Air Quality.

Hazardous Air Pollutants. As provided in the 1990 amendments to the Clean Air Act, the EPA investigated hazardous air pollutant emissions from electric utilities and submitted a report to Congress identifying mercury emissions from coal-fired power plants as warranting further study. In 2005, the EPA issued the CAMR establishing mercury standards for new power plants and requiring all states to issue new SIPs including mercury requirements for existing power plants. The EPA issued a model rule which provides for a two-phase cap and trade program with initial reductions due by 2010 and final reductions due by 2018. The CAMR provides for reductions of 70 percent from 2003 levels. The EPA closely integrated the CAMR and CAIR programs to ensure that the 2010 mercury reduction targets will be achieved as a "co-benefit" of the controls installed for purposes of compliance with the CAIR. The final rule is also currently under challenge in the federal courts. In 2006, Kentucky proposed to amend its SIP to adopt state requirements similar to those under the federal CAMR. In addition, in 2005 and 2006, state and local air agencies in Kentucky have proposed or adopted rules aimed at regulating additional hazardous air pollutants from sources including power plants. To the extent those rules are final, they are not expected to have a material impact on KU's power plant operations.

Acid Rain Program. The 1990 amendments to the Clean Air Act imposed a two-phased cap and trade program to reduce SO₂ emissions from power plants that were thought to contribute to "acid rain" conditions in the northeastern U.S. The 1990 amendments also contained requirements for power plants to reduce NO_x emissions through the use of available combustion controls.

Regional Haze. The Clean Air Act also includes visibility goals for certain federally designated areas, including national parks, and requires states to submit SIPs that will demonstrate reasonable progress toward preventing

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future impairment and remedying any existing impairment of visibility in those areas. In 2005, the EPA issued its CAVR detailing how the Clean Air Act's best available retrofit technology ("BART") requirements will be applied to facilities, including power plants, built between 1962 and 1974 that emit certain levels of visibility impairing pollutants. Under the final rule, as the CAIR will result in more visibility improvement than BART, states are allowed to substitute CAIR requirements in their regional haze SIPs in lieu of controls that would otherwise be required by BART. The final rule has been challenged in the courts.

Installation of Pollution Controls. Many of the programs under the Clean Air Act utilize cap and trade mechanisms that require a company to hold sufficient emissions allowances to cover its authorized emissions on a company-wide basis and do not require installation of pollution controls on every generating unit. Under cap and trade programs, companies are free to focus their pollution control efforts on plants where such controls are particularly efficient and utilize the resulting emission allowances for smaller plants where such controls are not cost effective. KU met its Phase I SO₂ requirements primarily through installation of FGD equipment on Ghent Unit 1. KU's combined strategy for its Phase II SO₂ requirements, which commenced in 2000, include the installation of additional FGD equipment, as well as using accumulated emissions allowances and fuel switching to defer certain additional capital expenditures. In order to achieve the NO_x emission reductions mandated by the NO_x SIP Call, KU installed additional NO_x controls, including SCR technology, during the 2000 to 2006 time period at a cost of \$215 million. In 2001, the Kentucky Commission granted recovery in principal of these costs incurred by KU under its periodic environmental surcharge review mechanisms.

In order to achieve the emissions reductions mandated by the CAIR and CAMR, KU expects to incur additional capital expenditures totaling \$1.0 billion during the 2007 through 2009 time period for pollution controls including FGD and SCR and incur additional operating and maintenance costs in operating such controls. In 2005, the Kentucky Commission granted recovery in principal of these costs incurred by KU under its periodic environmental surcharge review mechanisms. KU believes its costs in reducing SO₂, NO_x and mercury emissions to be comparable to those of similarly situated utilities with like generation assets. KU's compliance plans are subject to many factors including developments in the emission allowance and fuels markets, future legislative and regulatory enactments, legal proceedings and advances in clean air technology. KU will continue to monitor these developments to ensure that its environmental obligations are met in the most efficient and cost-effective manner.

Potential GHG Controls. In 2005, the Kyoto Protocol for reducing GHG emissions took effect, obligating 37 industrialized countries to undertake substantial reductions in GHG emissions. The U.S. has not ratified the Kyoto Protocol and there are currently no mandatory GHG emission reduction requirements at the federal level. Legislation mandating GHG reductions has been introduced in the Congress, but no federal legislation has been enacted to date. In the absence of a program at the federal level, various states have adopted their own GHG emission reduction programs. Such programs have been adopted in various states including 11 northeastern U.S. states under the Regional GHG Initiative program and California. Substantial efforts to pass federal GHG legislation are ongoing. In addition, litigation is currently pending before various courts to determine whether the EPA and the states have the authority to regulate GHG emissions under existing law. KU is monitoring ongoing efforts to enact GHG reduction requirements at the state and federal level. KU is unable to predict whether mandatory GHG reduction requirements will ultimately be enacted or to determine the reduction targets and deadlines that would be applicable under such programs. As a Company with significant coal-fired

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generating assets, KU could be substantially impacted by programs requiring mandatory reductions in GHG emissions, although the precise impact on the operations of KU cannot be determined prior to the enactment of such programs.

General Environmental Proceedings. In April 2006, the EPA sent correspondence to KU constituting a possible notice of violation of the Clean Air Act's new source review rules relating to 1997 work on a boiler and turbine at KU's E.W. Brown generating station. In December 2006, the EPA issued a second notice of violation relating to potential heat input permit threshold matters at the unit. During 2006, KU completed certain data responses to the EPA in these proceedings and discussions with the EPA are continuing. In March 2007, the EPA indicated that more formal enforcement action or proceedings may be possible in this matter. KU is not able to estimate the outcome or potential effects of these matters. See Note 13, Subsequent Events.

In January 2005, approximately 1,000 gallons of fuel oil leaked from a cracked weld in a storage tank at KU's Green River generating station. KU commenced immediate spill containment, recovery and remediation actions and has received satisfactory inspections from state regulators to date. The cost related to the cleanup of the oil spill was less than \$1 million and no penalties or fines are anticipated.

KU has recently settled certain environmental matters. During 2005 and 2006, final judicial and administrative approvals were received regarding a consent decree relating to the October 1999 leak of approximately 38,000 gallons of diesel fuel (of which 34,000 gallons were recovered) from an underground pipeline at KU's E.W. Brown Station. Under the terms of the settlement, KU paid a civil penalty in 2006 and has agreed to construct a supplemental environmental project and maintain the project for ten years, each at a cost of less than \$1 million. During 2006 final judicial and administrative approval were received regarding a settlement associated with a former transformer scrap-yard which had been the subject of April 2002 correspondence to KU and other potentially responsible parties. Under the terms of the settlement, the parties bore aggregate cleanup costs of approximately \$2 million, of which KU's share was less than \$1 million, which was paid in December 2006.

From time to time, KU appears before the EPA, various state or local regulatory agencies and state and federal courts regarding matters involving compliance with applicable environmental laws and regulations. Such matters include liability under the Comprehensive Environmental Response, Compensation and Liability Act for cleanup at various off-site waste sites and ongoing claims regarding GHG emissions from KU's generating stations. Based on analysis to date, the resolution of such matters is not expected to have a material impact on the operations of KU.

Note 10 - Jointly Owned Electric Utility Plant

KU and LG&E have begun construction of a jointly owned unit at the Trimble County site. KU and LG&E own undivided 60.75% and 14.25% interests, respectively in TC2. Of the remaining 25% of TC2, IMEA owns a 12.12% undivided interest and IMPA owns a 12.88% undivided interest. Each company is responsible for its proportionate share of capital cost during construction, and fuel, operation and maintenance cost when TC2 begins operation, which is expected to occur in 2010.

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	TC2				
	LG&E	KU	IMPA	IMEA	Total
Ownership interest	14.25%	60.75%	12.88%	12.12%	100%
Mw capacity	107	455	97	91	750

(in millions)	LG&E	KU
Construction work in progress	\$25	\$96

KU and LG&E jointly own the following CTs and related equipment:

Ownership Percentage	KU				LG&E				Total			
	Mw Capacity	(\$) Cost	(\$) Depre- ciation	(\$) Net Book Value	Mw Capacity	(\$) Cost	(\$) Depre- ciation	(\$) Net Book Value	Mw Capacity	(\$) Cost	(\$) Depre- ciation	(\$) Net Book Value
KU 47%, LG&E 53% (1)	129	51	(10)	41	146	58	(10)	48	275	109	(20)	89
KU 62%, LG&E 38% (2)	190	72	(12)	60	118	46	(8)	38	308	118	(20)	98
KU 71%, LG&E 29% (3)	228	80	(12)	68	92	32	(4)	28	320	112	(16)	96
KU 63%, LG&E 37% (4)	404	137	(12)	125	236	79	(8)	71	640	216	(20)	196
KU 71%, LG&E 29% (5)	n/a	9	(1)	8	n/a	3	(0)	3	n/a	12	(1)	11

(1) Comprised of Paddy's Run 13 and E.W. Brown 5. In addition to the above jointly owned utility plant, there is an inlet air cooling system attributable to Unit 5 and Units 8-11 at the E.W. Brown facility. This inlet air cooling system is not jointly owned, however it is used to increase production on the units to which it relates, resulting in an additional 88Mw of capacity for KU.

(2) Comprised of units 6 and 7 at the E.W. Brown facility.

(3) Comprised of units 5 and 6 at the Trimble County facility.

(4) Comprised of CT Substation 7-10 and units 7, 8, 9 and 10 at the Trimble County facility.

(5) Comprised of CT Substation 5 and 6 and CT Pipeline at the Trimble County facility.

Both KU's and LG&E's participating share of direct expenses of the joint fuel plants is included in the corresponding operating expenses on its respective income statement (e.g., fuel, maintenance of plant, other operating expense).

Note 11 - Related Party Transactions

KU, subsidiaries of E.ON U.S. and other subsidiaries of E.ON engage in related party transactions. Transactions between KU and E.ON U.S. subsidiaries are eliminated upon consolidation of E.ON U.S. Transactions between KU and E.ON subsidiaries are eliminated upon consolidation of E.ON. These transactions are generally performed at cost and are in accordance with the FERC regulations under PUHCA 2005 and the applicable Kentucky Commission and Virginia Commission regulations. The significant related party transactions are disclosed below.

Electric Purchases

KU and LG&E purchase energy from each other in order to effectively manage the load of their retail and off-system customers. These sales and purchases are included in the statements of income as operating revenues and purchased power operating expense. KU intercompany electric revenues and purchased power expense for

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the years ended December 31 were as follows:

(in millions)	<u>2006</u>	<u>2005</u>
Electric operating revenues from LG&E	\$77	\$96
Purchased power from LG&E	99	92

Interest Charges

See Note 8, Notes Payable and Other Short-Term Obligations, for details of intercompany borrowing arrangements. Intercompany agreements do not require interest payments for receivables related to services provided when settled within 30 days.

KU's intercompany interest income and expense for the years ended December 31 were as follows:

(in millions)	<u>2006</u>	<u>2005</u>
Interest on money pool loans	\$ 3	\$ 1
Interest on Fidelity loans	21	15

Other Intercompany Billings

E.ON U.S. Services provides KU with a variety of centralized administrative, management and support services. These charges include payroll taxes paid by E.ON U.S. on behalf of KU, labor and burdens of E.ON U.S. Services employees performing services for KU and vouchers paid by E.ON U.S. Services on behalf of KU. The cost of these services are directly charged to KU, or for general costs which cannot be directly attributed, charged based on predetermined allocation factors, including the following ratios: number of customers, total assets, revenues, number of employees and other statistical information. These costs are charged on an actual cost basis.

In addition, KU and LG&E provide services to each other and to E.ON U.S. Services. Billings between KU and LG&E relate to labor and overheads associated with union employees performing work for the other utility, charges related to jointly-owned CTs and other miscellaneous charges. Billings from KU to E.ON U.S. Services relate to information technology-related services provided by KU employees, cash received by E.ON U.S. Services on behalf of KU and services provided by KU to other non-regulated businesses which are paid through E.ON U.S. Services.

Intercompany billings to and from KU for the years ended December 31 were as follows:

(in millions)	<u>2006</u>	<u>2005</u>
E.ON U.S. Services billings to KU	\$353	\$185
KU billings to LG&E	56	29
LG&E billings to KU	53	101
KU billings to E.ON U.S. Services	23	7

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Note 12 – Accumulated Other Comprehensive Income

Accumulated other comprehensive income (loss) consisted of the following:

(in millions)	Minimum Pension Liability Adjustment	Pre-Tax	Income Taxes	Net
Balance at December 31, 2004	\$ (22)	\$ (22)	\$ 9	\$(13)
Minimum pension liability adjustment	<u>(10)</u>	<u>(10)</u>	<u>4</u>	<u>(6)</u>
Balance at December 31, 2005	(32)	(32)	13	(19)
Minimum pension liability adjustment	<u>32</u>	<u>32</u>	<u>(13)</u>	<u>19</u>
Balance at December 31, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 13 – Notes to Statement of Cash Flows

Supplemental disclosures of cash flow information

(in millions)	<u>2006</u>	<u>2005</u>
Cash paid during the year for:		
Income Taxes	\$ 82	\$ 59
Interest on borrowed money	15	12
Interest on affiliated companies on borrowed money	20	15

Note 14 – Subsequent Events

On January 16, 2007, KU made a discretionary contribution to the pension plan in the amount of \$13 million. After this payment, KU's pension plan assets are in excess of the December 31, 2006, accumulated benefit obligation.

On January 31, 2007, KU received an Order from the Kentucky Commission approving the charges and credits billed through the ECR during the review period as well as approving billing adjustments, a roll-in to base rates, revisions to the monthly surcharge filing and a rate of return on capital.

On January 31, 2007, KU received an Order from the Kentucky Commission closing the investigation into KU's Ghent FGD construction with no changes to KU's proposed revised construction plans.

In February 2007, KU completed a series of financial transactions impacting its periodic reporting requirements. The \$54 million Pollution Control Series 10 bond was refinanced and replaced with a new unsecured tax-exempt bond of the same amount maturing in 2034. The \$53 million Series P bond was defeased and replaced with an intercompany loan totaling \$53 million from Fidelia. The Company terminated the related interest swap and agreed with Fidelia to eliminate the second lien on its two secured loans. Pursuant to the terms

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of the remaining tax-exempt bonds, the first mortgage bonds were cancelled and the underlying lien on KU's assets was released following completion of these steps. KU no longer has any secured debt and, having deregistered applicable securities with the SEC effective March 1, 2007, is no longer subject to periodic reporting under the Securities Exchange Act of 1934.

On February 9, 2007, KU filed with the Kentucky Commission an application for approval of a green energy rider. This application details KU's plans to offer its customers a "green energy" program that contributes funds to the maintenance and growth of renewable energy in Kentucky and contiguous states. An order is expected during the second quarter of 2007.

On February 23, 2007, KU made an FAC filing with the Virginia Commission seeking approval of an additional increase in KU's fuel cost factor to reflect higher fuel costs.

Tyrone generating units 1 and 2 were retired in March 2007, as a result of on-going life assessment studies. These units were mothballed in September 2006, and represented 58 Mw of the total 129 Mw capacity at Tyrone generating station.

On March 12, 2007, the Department of Justice filed a complaint in federal court in Kentucky in connection with the prior EPA notices of violation concerning new source review aspects of the Clean Air Act at the E. W. Brown generating station. The complaint seeks civil penalties, remedial measures and injunctive relief. KU is not able to estimate the outcome or potential effects of these matters. For additional information, see Note 9, Commitments and Contingencies.

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.					
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.					
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.					
Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(19,336,791)		
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year		(19,336,791)		
6	Balance of Account 219 at Beginning of Current Year		(19,336,791)		
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income		19,336,791		
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)		19,336,791		
10	Balance of Account 219 at End of Current Quarter/Year				

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			(19,336,791)		
2					
3					
4				112,122,597	112,122,597
5			(19,336,791)		
6			(19,336,791)		
7			19,336,791		
8					
9			19,336,791	151,820,783	171,157,574
10					

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	3,680,734,487	3,680,734,487		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified				
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	3,680,734,487	3,680,734,487		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	487,243,640	487,243,640		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	4,167,978,127	4,167,978,127		
14	Accum Prov for Depr, Amort, & Depl	1,850,012,155	1,850,012,155		
15	Net Utility Plant (13 less 14)	2,317,965,972	2,317,965,972		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	1,835,419,215	1,835,419,215		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	14,592,940	14,592,940		
22	Total In Service (18 thru 21)	1,850,012,155	1,850,012,155		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,850,012,155	1,850,012,155		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
<p>1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.</p> <p>2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.</p>					
Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year		
			Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication				
3	Nuclear Materials				
4	Allowance for Funds Used during Construction				
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)				
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)				
10	SUBTOTAL (Total 8 & 9)				
11	Spent Nuclear Fuel (120.4)				
12	Nuclear Fuel Under Capital Leases (120.6)				
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)				
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)				
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote):				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
Changes during Year					
Amortization (d)	Other Reductions (Explain in a footnote) (e)			Balance End of Year (f)	Line No.
					1
					2
					3
					4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization	44,456		
3	(302) Franchises and Consents	83,453		
4	(303) Miscellaneous Intangible Plant	26,900,832		2,572,657
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	27,028,741		2,572,657
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights	10,478,525		
9	(311) Structures and Improvements	158,647,411		106,334
10	(312) Boiler Plant Equipment	1,034,968,375		8,199,265
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units	208,161,403		5,548,811
13	(315) Accessory Electric Equipment	81,400,445		786,742
14	(316) Misc. Power Plant Equipment	23,207,358		221,366
15	(317) Asset Retirement Costs for Steam Production	9,249,110		69
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,526,112,627		14,862,587
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights	879,312		
28	(331) Structures and Improvements	453,196		
29	(332) Reservoirs, Dams, and Waterways	7,954,452		
30	(333) Water Wheels, Turbines, and Generators	420,536		
31	(334) Accessory Electric Equipment	85,383		
32	(335) Misc. Power PLant Equipment	101,512		
33	(336) Roads, Railroads, and Bridges	46,976		
34	(337) Asset Retirement Costs for Hydraulic Production	4,970		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	9,946,337		
36	D. Other Production Plant			
37	(340) Land and Land Rights	294,924		
38	(341) Structures and Improvements	35,812,799		169,355
39	(342) Fuel Holders, Products, and Accessories	21,014,121		6,150
40	(343) Prime Movers	331,922,483		13,162,995
41	(344) Generators	59,334,142		
42	(345) Accessory Electric Equipment	30,952,419		
43	(346) Misc. Power Plant Equipment	5,168,144		15,274
44	(347) Asset Retirement Costs for Other Production	70,990		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	484,570,022		13,353,774
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,020,628,986		28,216,361

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	24,503,982	5,710	
49	(352) Structures and Improvements	7,975,892	179,654	
50	(353) Station Equipment	186,725,995	3,076,808	
51	(354) Towers and Fixtures	63,564,555		
52	(355) Poles and Fixtures	88,886,621	3,027,047	
53	(356) Overhead Conductors and Devices	129,182,472	1,477,354	
54	(357) Underground Conduit	448,760		
55	(358) Underground Conductors and Devices	1,114,762		
56	(359) Roads and Trails			
57	(359.1) Asset Retirement Costs for Transmission Plant	11,027		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	502,414,066	7,766,573	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	3,242,427		
61	(361) Structures and Improvements	4,290,707	176,192	
62	(362) Station Equipment	101,171,748	2,216,264	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	187,499,886	6,373,083	
65	(365) Overhead Conductors and Devices	176,880,581	4,183,553	
66	(366) Underground Conduit	1,748,592		
67	(367) Underground Conductors and Devices	68,192,824	2,110,830	
68	(368) Line Transformers	224,840,803	18,579,165	
69	(369) Services	83,084,062	27,644	
70	(370) Meters	63,793,336	3,508,764	
71	(371) Installations on Customer Premises	18,267,899	8,816	
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	53,324,851	318,362	
74	(374) Asset Retirement Costs for Distribution Plant	18,610		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	986,356,326	37,502,673	
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	2,811,100		
87	(390) Structures and Improvements	32,584,026	708,434	
88	(391) Office Furniture and Equipment	28,840,636	2,810,757	
89	(392) Transportation Equipment	23,834,695	25,659	
90	(393) Stores Equipment	766,404		
91	(394) Tools, Shop and Garage Equipment	5,210,914	256,151	
92	(395) Laboratory Equipment	3,256,282		
93	(396) Power Operated Equipment	300,902		
94	(397) Communication Equipment	15,341,646	826,955	
95	(398) Miscellaneous Equipment	372,087	39,836	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	113,318,692	4,667,792	
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	113,318,692	4,667,792	
100	TOTAL (Accounts 101 and 106)	3,649,746,811	80,726,056	
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)	-115,138	32,482	
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	3,649,861,949	80,693,574	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.					
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.					
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.					
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			44,456		2
			83,453		3
3,950,740			25,522,749		4
3,950,740			25,650,658		5
					6
					7
			10,478,525		8
137,959			158,615,786		9
8,467,051			1,034,700,589		10
					11
3,934,128			209,776,086		12
108,356			82,078,831		13
122,613			23,306,111		14
			9,249,179		15
12,770,107			1,528,205,107		16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
			879,312		27
			453,196		28
			7,954,452		29
			420,536		30
			85,383		31
			101,512		32
			46,976		33
			4,970		34
			9,946,337		35
					36
			294,924		37
			35,982,154		38
11,267			21,009,004		39
7,517,883			337,567,595		40
			59,334,142		41
			30,952,419		42
			5,183,418		43
			70,990		44
7,529,150			490,394,646		45
20,299,257			2,028,546,090		46

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			24,509,692		47
					48
8,109			8,147,437		49
1,911,180			187,891,623		50
256,476			63,308,079		51
610,837			91,302,831		52
904,174			129,755,652		53
			448,760		54
			1,114,762		55
					56
			11,027		57
3,690,776			506,489,863		58
					59
1,484			3,240,943		60
9,005			4,457,894		61
2,595,376			100,792,636		62
					63
79,289			193,793,680		64
202,377			180,861,757		65
20,097			1,728,495		66
1,400			70,302,254		67
4,636,662			238,783,306		68
			83,111,706		69
2,446,024			64,856,076		70
256			18,276,459		71
					72
2,919			53,640,294		73
			18,610		74
9,994,889			1,013,864,110		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			2,811,100		86
560,744			32,731,716		87
10,962,682			20,688,711		88
			23,860,354		89
27,727			738,677		90
133,549			5,333,516		91
54,079			3,202,203		92
29,959			270,943		93
16,864			16,151,737		94
17,114			394,809		95
11,802,718			106,183,766		96
					97
					98
11,802,718			106,183,766		99
49,738,380			3,680,734,487		100
					101
	82,656				102
					103
49,738,380	-82,656		3,680,734,487		104

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 104 Column: e

The Lock 7 hydroelectric generating facility and related assets were sold to Lock 7 Hydro Partners LLC on December 29, 2005. The journal entries were approved by FERC in a letter dated August 10, 2006.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC PLANT LEASED TO OTHERS (Account 104)					
Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
2	None				
3					
4					
5					
6					
7					
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42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2					
3	None				
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Other Property:				
22					
23	None				
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
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41					
42					
43					
44					
45					
46					
47	Total				0

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	STEAM PRODUCTION			
2	TC2 - KU			83,276,764
3	GH3 FGD			82,484,381
4	GH4 FGD			41,288,917
5	GHENT SO2 COMMON			36,244,600
6	TC2 AQCS KU			11,664,000
7	BROWN 1,2,3 FGD			10,581,773
8	KU SOX PROGRAM - GHENT 2 FGD SYSTEM			9,374,133
9	BROWN ASH POND EXPANSION PHASE 1 - DEVELOPMENT STAGE			6,518,563
10	GHENT 3 CONTROLS MODERNIZATION			3,605,140
11	BR 3 CONTROLS UPGR			3,083,672
12	KU SOX PROGRAM - HIGH SULFUR COAL CONVERSION & FGDS AT BROWN			2,689,492
13	BR3 FIRE - DCS REPL			1,933,347
14	GHENT 1 CONTROLS MODERNIZATION			1,498,358
15	GHENT 2 CONTROLS MODERNIZATION			1,398,665
16	GHENT 4 CONTROLS MODERNIZATION			1,212,382
17	BR SEP OIL SEPARATOR			1,102,040
18	BR3 FIRE MED VOLTAGE SWITCHGEAR REPL			826,068
19	GR FUEL OIL TANK REPL			808,627
20	FUEL SUPPLY MANAGEMENT SYSTEM			743,281
21	GH1 PULVERIZER PRIMARY AIR FLOW MONITORING SYSTEM			495,032
22	BR3 FIRE SWITCHGEAR REPL			491,992
23	BR MN OFFICE HVAC FEPL			457,131
24	GH3 CT CELL 3-2 REBUILD			427,753
25	GH3 CT CELL 3-4 REBUILD			420,813
26	GH3 CT CELL 3-3 REBUILD			410,464
27	GH CONVEYOR BELT REPL			390,993
28	GH1 PULVERIZER VANE WHEEL UPGRADE			389,753
29	GH4 UNDER TURBINE FIRE PROTECTION			389,026
30	GH4 CT CELL 404 REBUILD			376,297
31	BR3A AUX TRANSFORMER REWIND			356,060
32	BR3 SH14 HEADER REPL			353,525
33	TY3 GEN LEAD REPL			320,487
34	TY3 DEMINERALIZER UPGR			317,345
35	GR BOILER 5 "D" HP FEEDWATER HEATER RETUBE			296,527
36	GH-1 1-3 SBAC REBUILD			283,267
37	BR3-1 SB AIR COMP REL			275,234
38	BR3 SH15 HEADER REPL			271,842
39	TY3 2.3 KV BUS REBUILD			255,690
40	TY3 COAL PIPE REPL			254,780
41	BR1 CONTROLS UPGR			254,064
42	GH BARGE MOORING CELL REBUILD			240,638
43	TOTAL			487,243,640

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	BR-3 SB AIR COMP REPL	238,719		
2	BR3 LOWER SLOPE TUBE REPL	234,146		
3	GHENT SCR	232,960		
4	GR U4 SOLID STATE EXCITER	217,101		
5	TC CT UNIT COMPRESSOR BLADE REPLACEMENTS	207,900		
6	DIX TEST HEAD	205,248		
7	GR U3 SOLID STATE EXCITER	196,788		
8	GH CONVEYOR FIRE PROTECTION	195,478		
9	BR3 TURBINE CNTL UPGR	194,270		
10	BR1-2 TURB V1 MON UPGR	190,723		
11	GH 2-2 FD FAN MOTOR	177,945		
12	GH CONVEYOR BELT REPL	165,756		
13	BR1 BSO REPL	159,377		
14	BR1-2 CONV RM DUST CNTR	150,223		
15	CEMS DATA LOGGER UPGRADE	149,749		
16	TRIMBLE COUNTY ASH/GYPSUM PONDS	146,522		
17	BR3 EXH DISCH GATE REPL	129,312		
18	GR PRECIPITATOR CONTROLS UPGRADE	124,699		
19	GR ELEVATOR CONTROLS	116,707		
20	GH ROUGH TERRAIN FORK TRUCK	114,697		
21	GH SO3 ENGINEERING STUDY	108,583		
22	BR 2500 RECORDER REPL	107,938		
23	MINOR STEAM PRODUCTION	3,705,173		
24				
25	HYDRAULIC POWER			
26	DX JOHNSON VALVE REPL	873,854		
27	HYDRAULIC POWER MINOR	60,299		
28				
29	OTHER PRODUCTION			
30	BR CT8 C INSPECTION	7,301,691		
31	GH1 GENERATOR REFURB	3,232,129		
32	CT 11N2 VANE REPL	907,314		
33	CT11 VANE 4 REPL	868,606		
34	CT8 ROW VANE REPL	434,978		
35	TC CT10 COMPRESSOR BLADE REPLACEMENTS	166,118		
36	CT ICE PLANT HEADER	111,776		
37	OTHER PRODUCTION MINOR	284,066		
38				
39	TRANSMISSION			
40	DEVELOPMENT FOR TRIMBLE COUNTY UNIT #2	3,961,596		
41	PRIORITY REPL T-LINES PWO	3,595,913		
42	BROWN ASH POND EXPANSION, PHASE 1 - DEVELOPMENT STAGE	2,411,771		
43	TOTAL	487,243,640		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	EKPC AVON-RENAKER TO PARIS SUBSTATION 138 KV TRANSMISSION L	1,714,483		
2	STORM DAMAGE T-LINE PWO	1,309,215		
3	FAWKES 138-69 KV 150 MVA	1,233,727		
4	PARIS SUBSTATION 138/69 KV TRANSFORMER ADDITION	1,140,498		
5	ARNOLD - DORCHESTER 161 KV A&G COAL RELOCATION	817,400		
6	RELOCATIONS TRANS LINES	727,203		
7	VIRGINIA CITY - CLINCH RIVER 138 KV	515,230		
8	ROCKY BR POCKET 69 KV HIGHWAY RELOC	474,379		
9	VIRGINIA CITY 138/69 KV TRANSFORMER ADDITION	473,155		
10	ELIHU-SEWELLTON P-2 POLES	452,763		
11	PARAMETER UPGRADE T LINE PWO	405,784		
12	NEW FACILITIES TRANS LINE PWO	365,229		
13	GHENT-KENTON 138 KV LINE - P2 POLE REPLACEMENT	336,419		
14	LAWRENCEBURG PRIORITY 2 POLE REPLACEMENT	304,725		
15	ELIHU SOMERSET NORTH 69 KV	288,386		
16	HIGHWAY 52 RELOCATION RICHMOND	277,094		
17	SCIENCE HILL HIGHWAY 27	256,836		
18	SPCC MODIFICATIONS FOR KU	237,458		
19	LOUDEN AVE TO LANSDOWN 69 KV DOUBLE CIRCUIT RE-BUILD	195,273		
20	ARNOLD DELVINTA AEP WOOTEN TAP	181,281		
21	MISC SUBSTATION PROJECTS KU	174,827		
22	GHENT - KENTON 138 KV LINE - BUTLER SWITCHES	153,168		
23	LYNCH TO IMBODEN A&G RELO PHASE 3 STRUCTURE 18	131,268		
24	WEST CLIFF 604 & 624 REPLACE	127,471		
25	BROWN - FAWKES 138 KV	116,884		
26	FAWKES TO OKONITE 69 KV DISTRIBUTION PARAMETERS	114,816		
27	DIX ROOF UPGRADE	112,735		
28	SCOTT CO. NOISE BARRIER	111,691		
29	INST ELK CRK MINE 69 TAP	103,638		
30	GREEN RIVER DFR	102,216		
31	DELVINTA 824 CARRIER ADDN	100,599		
32	TRANSMISSION MINOR	2,446,138		
33				
34	DISTRIBUTION			
35	NEW BUS RESID-OVHD-LEXINGTON	6,308,796		
36	NEW BUS SERV-UG-LEXINGTON	4,879,703		
37	STREET LIGHTING 315	2,839,612		
38	NEW BUS SUBD-UG-LEXINGTON	2,722,575		
39	KU SUBSTATION SPILL PREVENTION	2,574,533		
40	NEW BUS COMM-UG-LEXINGTON	2,288,395		
41	INST LEBANON JUNCTION SUB	1,763,651		
42	NEW BUS RESID-UG-LEXINGTON	1,740,806		
43	TOTAL	487,243,640		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	OUTDOOR LIGHTING 315	1,645,586		
2	NEW BUS SERV-UG-RICHMOND	1,518,013		
3	NEW ELECT SERV-OVHD-LEXINGTON	1,499,660		
4	NEW BUS RESID-OVHD-EARLINGTON	1,456,749		
5	NEW BUS COMM-OVHD-LEXINGTON	1,450,103		
6	NEW BUS SERV-UG-ETOWN	1,346,835		
7	NEW BUS RESID-OVHD-DANVILLE	1,307,885		
8	NEW BUS RESID-OVHD-PINEVILLE	1,211,500		
9	REP DEF EQUIP-OH-LEXINGTON	1,159,112		
10	NEW ELECT SERV-OVHD-EARLINGTON	1,145,469		
11	NEW BUS RESID -OVHD - SHELBYVILLE	1,135,432		
12	NEW BUS SERV - UG- MAYSVILLE	1,126,914		
13	NEW ELEXCT SERVICES - OVERHEAD	1,121,052		
14	NEW BUS RESID - UG - DANVILLE	1,113,650		
15	STREET LIGHTING 236	1,085,174		
16	NEW BUS RESID -UG- MAYSVILLE	1,084,859		
17	NEW BUS SERV - UG - EARLINGTON	1,079,450		
18	NEW BUS RESID - UG - SHELBYVILLE	1,047,620		
19	W360 LTC REBUILD	1,039,016		
20	NEW BUS SERV - UG - SHELBYVILLE	1,029,475		
21	NEW BUS COMM - OVHD - MAYSVILLE	1,014,613		
22	NEW BUS RESID - OVHD - LONDON	993,891		
23	NEW BUS SERV - UG - DANVILLE	988,181		
24	NEW BUS COMM - OVHD - RICHMOND	948,384		
25	REP DEF EQUIP - OH - EARLINGTON	916,103		
26	NEW BUS COMM - OVHD - EARLINGTON	894,232		
27	NEW BUS RESID - OVHD - ETOWN	888,745		
28	KU DIST PF CORRECTION DISTRIBUTION CAPACITORS	874,579		
29	NEW BUS SUBD - UG - RICHMOND	866,032		
30	NEW BUS COMM - OVHD - DANVILLE	831,280		
31	STREET LIGHTING 366	777,545		
32	NEW ELECT SERV - OVHD - NORTON	776,009		
33	NEW BUS SUBD - OVHD - LEXINGTON	767,898		
34	NEW ELECTRIC SERV - OVERHEAD	763,868		
35	NEW ELECT SERV - OVHD - PINEVILLE	746,825		
36	NEW BUS RESID - OVHD - MAYSVILLE	738,389		
37	ELIZABETHTOWN 3 ADDITION	732,058		
38	NEW BUS RESID - OVHD - RICHMOND	732,036		
39	STREET LIGHTING 246	730,454		
40	PURCHASE TRANSFORMER 315	721,597		
41	NEW ELECT SERV - OVHD - MAYSVILLE	719,063		
42	KU STORM NOV 15	708,804		
43	TOTAL	487,243,640		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)					
1. Report below descriptions and balances at end of year of projects in process of construction (107)					
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)					
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.					
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)			
1	NEW BUS COMM - OVHD - SHELBYVILLE	706,650			
2	NEW BUS RESID - OVHD - NORTON	694,654			
3	NEW ELECTR SERV - OVHEAD - DANVILLE	693,867			
4	NEW BUS SUBD - UG - ELIZABETHTOWN	671,644			
5	NEW BUS RESID - UG - RICHMOND	669,783			
6	KU DIST PF CORRECTION	655,031			
7	NEW BUS COMM - OVHD - ETOWN	647,363			
8	NEW BUS COMM - UG - LONDON	646,694			
9	NEW BUS COMM - OVHD - LONDON	619,150			
10	SYS ENHAN - EXIST CUST - LEXINGTON	613,465			
11	NEW BUS COMM - OVHD - NORTON	608,424			
12	REP DEF EQUIP - UG - LEXINGTON	606,874			
13	NEW BUS SUBD - UG - SHELBYVILLE	601,705			
14	NEW BUS SERV - UG - LONDON	598,482			
15	REP THIRD PARTY DAM 315	595,672			
16	POLE REPAIR/REPL 246	594,986			
17	STREET LIGHTING 216	590,663			
18	STREET LIGHTING 156	576,954			
19	NEW ELECT SERV - OVHD - SHELBYVILLE	571,334			
20	NEW BUS SERV - UG - NORTON	567,289			
21	PURCHASE 161X69 SPARE TRANSFORMER	556,400			
22	NEW BUS RESID - UG - EARLINGTON	545,705			
23	RP RICHMOND 3 4 KV	539,130			
24	NEW BUS COMM - UG - MAYSVILLE	526,708			
25	NEW BUS RESID - UG - NORTON	526,411			
26	NEW BUS RESID - UG - ETOWN	518,801			
27	ADAMS 14MVA STATION	517,301			
28	PURCHASE TRANSFORMERS 236	515,640			
29	NEW BUS SUBD - OVHD - ETOWN	515,354			
30	RELOCATIONS CUS REQUEST 315	504,288			
31	NEW BUS RESID - UG - LONDON	502,532			
32	REP DEF EQUIPMENT - OH - DANVILLE	487,334			
33	POLE REPAIR REPL 315	476,289			
34	INSTALL SIMPSONVILLE AREA SUB	465,090			
35	STREET LIGHTING 426	461,579			
36	NEW BUS COMM - UG - DANVILLE	451,517			
37	REP DEF EQUIPMENT - OH - SHELBYVILLE	433,215			
38	STREET LIGHTING 256	432,070			
39	INST CAP/REG/RECL - LEXINGTON	426,231			
40	NEW BUSINESS RES 216	420,876			
41	RP SHUN PIKE TRANSFORMER	414,655			
42	TROY PIKE	414,294			
43	TOTAL	487,243,640			

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	STREET LIGHTING 766	412,487		
2	POLE REPAIR/REPL 256	409,828		
3	TROUBLE ORDERS O/H 246	407,281		
4	STREET LIGHTING 416	393,279		
5	NEW BUS IND - OVHD - DANVILLE	384,258		
6	DIST RELIABILITY 156	378,883		
7	RELOCATIONS CUST REQUEST 216	377,466		
8	OUTDOOR LIGHTING 216	371,925		
9	PURCHASE LAND FOR A NEW BEDFORD, KY SUBSTATION	358,096		
10	NEW BUS COMM - OVHD - PINEVILLE	357,026		
11	NEW BUS COMM - UG - RICHMOND	356,199		
12	NEW BUS COMM - UG - SHELBYVILLE	353,226		
13	REP DEF EQUIP - OH - RICHMOND	347,073		
14	NEW ELECT SERV - OVHD - LONDON	346,053		
15	TROUBLE ORDERS 156	345,854		
16	REP REPL ST LIGHTS 315	343,284		
17	REP REPL DEF ST LIGHTS 236	341,985		
18	PUB WORK RELOC - OH - LEXINGTON	340,254		
19	TROUBLE ORDERS O/H 256	338,488		
20	SYS ENHANC - EXIST CUST EARLINGTON	334,522		
21	NEW BUS SERV - UG - PINEVILLE	332,527		
22	POLE REP/REPL 156	326,885		
23	NEW BUS COMM - UG - ETOWN	325,405		
24	NEW BUS COMM - UG - NORTON	325,216		
25	REPLACE TAYLORSVILLE 5/7 MVA TRANSFORMER	302,862		
26	HIGHWAY RELOC KY 1577	300,970		
27	NEW BUS RESID - UG - PINEVILLE	297,218		
28	CIRCUIT RELIAB O/H 315	291,701		
29	TATES CREEK RD HIGHWAY PROJ RIC	291,286		
30	SYS ENH - EXIST CUST - ETOWN	291,131		
31	RELIABILITY O/H 156	290,198		
32	REP THIRD PRY DAM 236	290,101		
33	SALEM UPGRADE	289,751		
34	NEW BUS SUBD - UG - DANVILLE	279,355		
35	REP DEF EQUIP - OH - MAYSVILLE	278,665		
36	SYS ENH - NEW CUST - RICHMOND	277,810		
37	SYS ENHAN - EXIST CUST - PINEVILLE	277,609		
38	UFLS PROGRAM - KU	277,607		
39	POLE REPAIR/REPL 366	265,845		
40	TROUBLE ORDERS 216	261,673		
41	REP REPL DEF ST LIGHTS 156	260,432		
42	SCM CENT SUB MISC WINCHESTER SOUTH 839 & AO SMITH 456	258,608		
43	TOTAL	487,243,640		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	PURCHASE TRANSFORMERS 366	258,153		
2	PURCHASE TRANSFORMERS 246	255,140		
3	NEW BUSINESS COM 426	247,433		
4	REP DEF EQUIPMENT - OH - LONDON	246,881		
5	REP THIRD PARTY DAM 366	245,686		
6	PURCHASE TRANSFORMERS 256	244,107		
7	NEW BUSINESS RES 426	243,418		
8	KU DIST PF CORRECTION	241,160		
9	NEW BUS IND - UG - ETOWN	239,590		
10	SYS ENHAN - EXIST CUST - DANVILLE	238,976		
11	REP PEPL DEF ST LIGHTS 366	231,051		
12	POLE REP/REPL 426	228,238		
13	RELIABILITY O/H 256	223,976		
14	REP REPL DEF ST LIGHTS 256	223,353		
15	WIN: WINCHESTER BYPASS	222,217		
16	KY 519 HIGHWAY RELOCATION	218,692		
17	REP/REPL DEFECTIVE EQUIP RC 011019	218,189		
18	TROUBLE ORDERS OVERHEAD	217,336		
19	RP CRAB ORCHARD 2.5/5	214,197		
20	BROWN 1, 2, 3 FGD	213,940		
21	REP THIRD PARTY DAM 256	213,364		
22	ROGERS GAP DISTRIBUTION	211,252		
23	HIGHWAY 52 RELOCATION	209,201		
24	RP REVELO 2.5/5	207,626		
25	WINCHESTER WATER WORKS	205,395		
26	RELOCATIONS CUST REQUEST 416	203,742		
27	TOOLS AND EQ 246	203,589		
28	TOOLS AND EQ 26	197,901		
29	NEW BUSINESS COM 216	197,019		
30	OUTDOOR LIGHTING 156	196,883		
31	NEW BUS IND - UG - DANVILLE	196,639		
32	SYS ENHAN EXIST CUST MAYSVILLE	194,205		
33	REP REPL DEF ST LIGHTS 246	190,420		
34	RP TRANSFORMER FORESTER'S CREEK	186,068		
35	SYS ENHAN - EXIST CUST - LONDON	184,687		
36	PUB WRK RELC - OH - ETOWN	184,245		
37	BALLARDSVILLE CIRCUIT UPGRADE	183,977		
38	REP THIRD PARTY DAM 216	183,692		
39	STRATION PIKE REBUILD	181,917		
40	RELOCATIONS CUST REQUEST 766	181,851		
41	BOGGS LANE	180,588		
42	NEW BUS COMM - UG - EARLINGTON	179,202		
43	TOTAL	487,243,640		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	REP DEF EQUIP - OH - ETOWN	176,914		
2	REP REPL DEF ST LIGHTS 216	176,608		
3	RELOCATIONS CUST REQUEST 236	176,402		
4	INST CAP/RE/RECL - SHELBYVILLE	174,896		
5	OAKHILL SUB BATTERY REPL.	171,320		
6	SYS ENHANC EXIST CUST SHELBYVILLE	167,938		
7	RP SALVISA 2.5/5	165,772		
8	DIST RELIABILITY 246	165,392		
9	NEW BUS COMM - UG - PINEVILLE	164,584		
10	PURCHASE TRANSFORMERS 766	163,887		
11	OUTDOOR LIGHTING 766	161,782		
12	PUB WORKS RELC - OH - RICHMOND	159,131		
13	SCM CONTROL SUB MISC	157,970		
14	REP.REPL DEF POL'S 426	154,817		
15	XMFR/CUTOUT/DISC-DIST	154,809		
16	CIRCUIT HARD RE OH NORTON	154,300		
17	REP DEF EQUIP OH - NORTON	147,123		
18	REP REPL DEF POL'S 256	145,754		
19	KU STORMS MAR 9	145,652		
20	REP DEF EQUIPMENT - OH - PINEVILLE	141,726		
21	NEW BUS SUBD - OVHD - RICHMOND	140,790		
22	INST CAP/RE/RECL - MAYSVILLE	138,069		
23	OUTDOOR LIGHTING 246	136,469		
24	RELOCATIONS CUST REQUEST 426	136,244		
25	TROUBLE ORDERS 308	134,605		
26	LEXINGTON STORM RESTORATION	134,428		
27	OUTDOOR LIGHTING 236	133,641		
28	RELIABILITY RECONSTRUCTION 216 OH	131,855		
29	PAYNES DEPOT RD (US62) HIGHWAY	131,484		
30	PURCHASE TRANSFORMERS 216	131,069		
31	NEW BUSINESS IND 216	130,292		
32	REP/REPL DEF POL'S 315	127,177		
33	POL REPAIR 416	126,514		
34	PUB WRK RELOC - OH - DANVILLE	125,053		
35	DIST RELIABILITY 416	124,286		
36	PURCHASE TRANSFORMERS 156	123,440		
37	SYS ENHAN - EXIST CUST - NORTON	123,244		
38	FINCHVILLE 2504 PHASE ADDITION	123,030		
39	NEW BUS SUBD - UG - EARLINGTON	121,038		
40	LONDON STORM RESTORATION	115,259		
41	CARLISLE 12KV CONVERSION	114,378		
42	SCM CENTER SUB MISC	114,033		
43	TOTAL	487,243,640		

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	RELIABILITY RECONSTRUCTION 366 OH	113,546		
2	ETOWN STORM RESTORATION	112,461		
3	NEW BUS IND OVHD ETOWN	110,773		
4	PUB WRK RELOC OH LONDON	109,442		
5	NEW BUS IND OVHD SHELBYVILLE	109,391		
6	OUTDOOR LIGHTING 426	109,214		
7	TOOLS AND EQ 315	105,998		
8	PUB WRK RELOC - OH - SHELBYVILLE	105,863		
9	KU STORM NOV 6	105,319		
10	POLE REPAIR 236	104,251		
11	NEW BUS IND OVHD RICHMOND	103,394		
12	TOOLS AND EQ 156	101,753		
13	TROUBLE ORDERS 236	101,255		
14	REP REPL DEF ST LIGHTS 426	100,020		
15	DISTRIBUTION MINOR	4,060,651		
16				
17	GENERAL PLANT			
18	EAST KY SONET FIBER BACKBONE ROUTE	469,862		
19	LAND MOBILE RADIO NW UPGRADE	339,494		
20	TIER C ROTATION OF DESKTOPS AND LAPTOPS	334,035		
21	LEXINGTON TAPE UPGRADE	313,644		
22	UPGRADE LEXINGTON MAN TO OC-48 USING NEXT GEN SONET	310,029		
23	WESTERN KY MICROWAVE A/D CONVERSION PH 2	258,445		
24	UPGRADE LOU TO LEX RING TO OC-48 NEXT GEN SONET	245,825		
25	MIDDLESBORO REPEATER	219,647		
26	BIZTALK MIDDLEWARE IMPLEMENTATION	204,318		
27	WITNESS REPLACEMENT	165,687		
28	CUSTOMER INFORMATION CONTROLS	128,279		
29	OUTSIDE CABLE PLANT	124,405		
30	ORACLE MOBILE CHAIN	119,964		
31	PC INFRASTRUCTURE	118,612		
32	STORAGE AREA NETWORK	116,003		
33	EARLINGTON TOWER REBUILD	113,897		
34	OUTSIDE CABLE PLANT	113,615		
35	PURCHASE & IMPLEMENT IMPACT SOFTWARE	111,269		
36	KU HANDHELDS	108,765		
37	ORACLE 11I APPLICATIONS PURGE & ARCHIVE	105,521		
38	GENERAL PLANT MINOR PROJECTS	2,710,955		
39				
40				
41				
42				
43	TOTAL	487,243,640		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,775,631,754	1,775,631,754		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	109,639,095	109,639,095		
4	(403.1) Depreciation Expense for Asset Retirement Costs	296,659	296,659		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	75,719	75,719		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	-252,192	-252,192		
9	(151) Fuel Stock	798,909	798,909		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	110,558,190	110,558,190		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	45,787,640	45,787,640		
13	Cost of Removal	6,941,176	6,941,176		
14	Salvage (Credit)	873,703	873,703		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	51,855,113	51,855,113		
16	Other Debit or Cr. Items (Describe, details in footnote):	1,084,384	1,084,384		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,835,419,215	1,835,419,215		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	896,963,548	896,963,548		
21	Nuclear Production				
22	Hydraulic Production-Conventional	8,167,504	8,167,504		
23	Hydraulic Production-Pumped Storage				
24	Other Production	101,778,990	101,778,990		
25	Transmission	305,427,551	305,427,551		
26	Distribution	467,160,163	467,160,163		
27	Regional Transmission and Market Operation				
28	General	55,921,459	55,921,459		
29	TOTAL (Enter Total of lines 20 thru 28)	1,835,419,215	1,835,419,215		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

Accrual for Cost of Removal on ARO Parent Assets impacting (403) and (254) accounts.

Schedule Page: 219 Line No.: 16 Column: c

Customer Payments related to construction projects.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)					
<p>1. Report below investments in Accounts 123.1, investments in Subsidiary Companies. 2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h) (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate. (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal. 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.</p>					
Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)	
1	None				
2					
3					
4					
5					
6					
7					
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42	Total Cost of Account 123.1 \$	0		TOTAL	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)					
<p>4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 42, column (a) the TOTAL cost of Account 123.1</p>					
Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.	
				1	
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				4	
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	55,589,381	64,221,479	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	15,544,253	16,329,989	Electric	
8	Transmission Plant (Estimated)	3,201,501	2,793,056	Electric	
9	Distribution Plant (Estimated)	5,968,045	6,828,384	Electric	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)				
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	24,713,799	25,951,429		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	6,081,753	6,386,539	Electric	
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	86,384,933	96,559,447		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
Allowances (Accounts 158.1 and 158.2)					
<p>1. Report below the particulars (details) called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.</p>					
Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2007	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	156,158.00	1,459,687	83,343.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Share of OMU's unused				
10	allowances	4,252.00	3,286,800		
11					
12					
13					
14					
15	Total	4,252.00	3,286,800		
16					
17	Relinquished During Year:				
18	Charges to Account 509	110,734.00	3,075,882		
19	Other:				
20	Charges to Account 549	2.00	67		
21	Cost of Sales/Transfers:				
22	Adjustment to final 2005	212.00			
23					
24					
25					
26					
27					
28	Total	212.00			
29	Balance-End of Year	49,462.00	1,670,538	83,343.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	1,109.00		1,109.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	1,109.00			
40	Balance-End of Year			1,109.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	1,109.00	979,464		
45	Gains				
46	Losses				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4		
Allowances (Accounts 158.1 and 158.2) (Continued)								
6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.								
7. Report on Lines 8-14 the names of vendors/transferees of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).								
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.								
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.								
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.								
2008		2009		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
83,343.00		83,343.00		1,938,375.00		2,344,562.00	1,459,687	1
								2
								3
				77,535.00		77,535.00		4
								5
								6
								7
								8
						4,252.00	3,286,800	10
								11
								12
								13
								14
						4,252.00	3,286,800	15
								16
								17
						110,734.00	3,075,882	18
								19
						2.00		67 20
								21
						212.00		22
								23
								24
								25
								26
								27
						212.00		28
83,343.00		83,343.00		2,015,910.00		2,315,401.00	1,670,538	29
								30
								31
								32
								33
								34
								35
1,109.00		1,109.00		54,218.50		58,654.50		36
								37
								38
				1,106.50		2,215.50		39
1,109.00		1,109.00		53,112.00		56,439.00		40
								41
								42
								43
				1,106.50	304,465	2,215.50	1,283,929	44
								45
								46

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
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43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
Transmission Service and Generation Interconnection Study Costs					
<p>1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.</p> <p>2. List each study separately.</p> <p>3. In column (a) provide the name of the study.</p> <p>4. In column (b) report the cost incurred to perform the study at the end of period.</p> <p>5. In column (c) report the account charged with the cost of the study.</p> <p>6. In column (d) report the amounts received for reimbursement of the study costs at end of period.</p> <p>7. In column (e) report the account credited with the reimbursement received for performing the study.</p>					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2	None				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22	None				
23					
24					
25					
26					
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28					
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Ice Storm	2,770,596		593	791,604	1,978,992
2						
3	Management Audit Expense	245,975		930.2	163,980	81,995
4						
5	FAS 158 Pension and Postretirement	1,527,957	63,980,797	228.3		65,508,754
6						
7	SFAS 109 - Income Taxes	5,855,830	799,365	254/283/19	1,320,652	5,334,543
8						
9	VDT Workforce Reduction Costs	2,943,596		930.2	2,943,596	
10						
11	Asset Retirement Obligation - Generation	19,824,634	2,264,306	407.4/411	231,136	21,857,804
12						
13	Asset Retirement Obligation - Transmission	44,599	4,470	407.4/411	222	48,847
14						
15	Asset Retirement Obligation-Distribution	101,558	6,856			108,414
16						
17	MISO Exit Fee		20,097,494			20,097,494
18						
19						
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21						
22						
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43						
44	TOTAL	33,314,745	87,153,288		5,451,190	115,016,843

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	OMU Emission Allowances	2,699,785	1,826,675	158	3,286,800	1,239,660
2						
3	Environmental Cost Recovery	4,216,701	72,918,293	440-445	67,376,518	9,758,476
4						
5	Financing Expense	37,000	1,197,756	181	1,162,938	71,818
6						
7	Long-Term Derivative Asset	784,259	64,144	221/427	743,452	104,951
8						
9	Intangible Pension Asset	7,506,340		219/232	7,506,340	
10						
11	KY - Fuel Adjustment Clause	8,304,000	32,978,000	440-445	28,670,000	12,612,000
12						
13	VA - Fuel Cost Component	3,852,762	1,577,575	440-445	1,970,567	3,459,770
14						
15	Merger Surcredit Settlement	2,674,729		442/445	1,069,892	1,604,837
16						
17	Regulatory Expenses	681,756		930.2	454,512	227,244
18						
19	Key Man Life Insurance	32,551,408	35,798,897	186	33,363,280	34,987,025
20						
21						
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43						
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45						
46						
47	Misc. Work in Progress	-134,259				21,510
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	63,174,481				64,087,291

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4																																																																														
ACCUMULATED DEFERRED INCOME TAXES (Account 190)																																																																																			
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.																																																																																			
Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)																																																																																
1	Electric																																																																																		
2	Pensions	-10,467,577	-12,360,564																																																																																
3	Other Post Retirement & Employment Benefits	23,809,395	25,756,500																																																																																
4	FAS 109 Regulatory Tax Adjustments	11,752,207	12,288,231																																																																																
5	FAS 133	496,916	489,133																																																																																
6	FAS 143	9,015,924	11,322,921																																																																																
7	Other *See Notes for Detail	20,500,744	8,507,816																																																																																
8	TOTAL Electric (Enter Total of lines 2 thru 7)	55,107,609	46,004,037																																																																																
9	Gas																																																																																		
10																																																																																			
11																																																																																			
12																																																																																			
13																																																																																			
14																																																																																			
15	Other																																																																																		
16	TOTAL Gas (Enter Total of lines 10 thru 15)																																																																																		
17	Other (Specify) *See Notes for Detail																																																																																		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	55,107,609	46,004,037																																																																																
Notes																																																																																			
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right;">Bal. at Beg. of Year</th> <th style="text-align: right;">Bal. at End of Year</th> </tr> </thead> <tbody> <tr> <td>ECR & VA Fuel Clause</td> <td style="text-align: right;">1,533,535</td> <td style="text-align: right;">(1,288,033)</td> </tr> <tr> <td>Workers' Compensation</td> <td style="text-align: right;">1,360,871</td> <td style="text-align: right;">1,377,831</td> </tr> <tr> <td>Minimum Pension Liability</td> <td style="text-align: right;">12,412,243</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Vacation Pay</td> <td style="text-align: right;">1,515,987</td> <td style="text-align: right;">1,571,069</td> </tr> <tr> <td>State Tax Adjustment</td> <td style="text-align: right;">795,416</td> <td style="text-align: right;">2,709,240</td> </tr> <tr> <td>Bad Debt Reserve</td> <td style="text-align: right;">581,151</td> <td style="text-align: right;">708,054</td> </tr> <tr> <td>Demand Side Management</td> <td style="text-align: right;">648,694</td> <td style="text-align: right;">744,784</td> </tr> <tr> <td>Customer Advances</td> <td style="text-align: right;">579,468</td> <td style="text-align: right;">767,445</td> </tr> <tr> <td>OMU Excess Amortization</td> <td style="text-align: right;">900,438</td> <td style="text-align: right;">828,449</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">172,941</td> <td style="text-align: right;">1,088,977</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> <td style="text-align: right;">-----</td> </tr> <tr> <td>Total Electric Line 7</td> <td style="text-align: right;">20,500,744</td> <td style="text-align: right;">8,507,816</td> </tr> <tr> <td></td> <td style="text-align: right;">=====</td> <td style="text-align: right;">=====</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Balance of Beginning of Year</td> <td style="text-align: right;">55,107,609</td> <td></td> </tr> <tr> <td>Less Debits to:</td> <td></td> <td></td> </tr> <tr> <td>Acct 410.1</td> <td style="text-align: right;">4,996,761</td> <td></td> </tr> <tr> <td>Acct 410.2</td> <td style="text-align: right;">23,647</td> <td></td> </tr> <tr> <td>Other Balance Sheet Accounts</td> <td style="text-align: right;">11,876,218</td> <td></td> </tr> <tr> <td>Plus Credits to:</td> <td></td> <td></td> </tr> <tr> <td>Acct 411.1</td> <td style="text-align: right;">7,579,153</td> <td></td> </tr> <tr> <td>Acct 411.2</td> <td style="text-align: right;">213,901</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>Balance at End of Year</td> <td style="text-align: right;">46,004,037</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">=====</td> <td></td> </tr> </tbody> </table>							Bal. at Beg. of Year	Bal. at End of Year	ECR & VA Fuel Clause	1,533,535	(1,288,033)	Workers' Compensation	1,360,871	1,377,831	Minimum Pension Liability	12,412,243	0	Vacation Pay	1,515,987	1,571,069	State Tax Adjustment	795,416	2,709,240	Bad Debt Reserve	581,151	708,054	Demand Side Management	648,694	744,784	Customer Advances	579,468	767,445	OMU Excess Amortization	900,438	828,449	Other	172,941	1,088,977		-----	-----	Total Electric Line 7	20,500,744	8,507,816		=====	=====				Balance of Beginning of Year	55,107,609		Less Debits to:			Acct 410.1	4,996,761		Acct 410.2	23,647		Other Balance Sheet Accounts	11,876,218		Plus Credits to:			Acct 411.1	7,579,153		Acct 411.2	213,901			-----		Balance at End of Year	46,004,037			=====	
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CAPITAL STOCKS (Account 201 and 204)					
<p>1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>					
Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)	
1	Common Stock				
2	Without Par Value	80,000,000			
3	Total Common	80,000,000			
4					
5					
6					
7					
8					
9					
10					
11					
12	Note:				
13	There is no Call Price for Common Stock,				
14	Without Par Value				
15					
16	The Common Stock of Kentucky Utilities is				
17	owned by its parent company,				
18	E.ON U.S. LLC				
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>	
CAPITAL STOCKS (Account 201 and 204) (Continued)						
<p>3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.</p> <p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> <p>Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.</p>						
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
37,817,878	308,139,978					3
37,817,878	308,139,978					4
						5
						6
						7
						8
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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1		
2	Account 211:	
3	Contributed Capital - Misc.	15,000,000
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40	TOTAL	15,000,000

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
CAPITAL STOCK EXPENSE (Account 214)			
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	Expenses on Common Stock	321,289	
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22	TOTAL	321,289	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)				
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>				
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)	
1	ACCOUNT 221:			
2	First Mortgage Bonds			
3	Series P, due 5/15/2007, 7.92% (5)	53,000,000	618,416	
4	Series S, due 1/15/2006, 5.99% (5)	36,000,000	384,415	
5				
6	Pollution Control Bonds			
7	Series 10, due 11/01/2024, Variable	54,000,000	614,989	
8	Series 11, due 5/01/2023, Variable	12,900,000	426,389	
9	Series 12, due 2/01/2032, Variable	20,930,000	120,138	
10	Series 13, due 2/01/2032, Variable	2,400,000	83,078	
11	Series 14, due 2/01/2032, Variable	2,400,000	93,078	
12	Series 15, due 2/01/2032, Variable	7,400,000	92,678	
13	Series 16, due 10/01/2032, Variable	96,000,000	2,128,245	
14	Series 17, due 10/01/2034, Variable	50,000,000	1,200,191	
15	Series 18, due 06/01/2035, Variable	13,266,950	526,451	
16	Series 19, due 06/01/2035, Variable	13,266,950	529,956	
17	Series 20, due 06/01/2036, Variable	16,693,620	578,894	
18	Series 21, due 06/01/2036, Variable	16,693,620	358,074	
19	Long-Term Debt Marked to Market (3)			
20	Interest Rate Swaps (2)			
21	TOTAL ACCOUNT 221	394,951,140	7,754,992	
22				
23	ACCOUNT 223:			
24	Notes Payable to Fidelity 4.55%, due 04/30/2013 - unsecured	100,000,000		
25	Notes Payable to Fidelity 5.31%, due 08/15/2013 - secured	75,000,000		
26	Notes Payable to Fidelity 4.24%, due 11/24/2010 - secured	33,000,000		
27	Notes Payable to Fidelity 4.39%, due 01/16/2012 - unsecured	50,000,000		
28	Notes Payable to Fidelity 4.735%, due 07/08/2015 - unsecured	50,000,000		
29	Notes Payable to Fidelity 5.36%, due 12/21/2015 - unsecured	75,000,000		
30	Notes Payable to Fidelity 6.33%, due 06/23/2036 - unsecured (7)	50,000,000		
31	Notes Payable to Fidelity 5.675%, due 10/25/2016 - unsecured (7)	50,000,000		
32	TOTAL ACCOUNT 223	483,000,000		
33	TOTAL	877,951,140	7,754,992	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)						
<p>10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.</p> <p>11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.</p> <p>12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.</p> <p>13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.</p> <p>14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>						
Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
05/15/1992	05/15/2007	05/15/1992	05/15/2007	53,000,000	4,197,600	3
01/15/1996	01/15/2006	01/15/1996	01/15/2006		89,850	4
						5
						6
11/23/1994	11/01/2024	11/23/1994	11/01/2024	54,000,000	1,927,948	7
05/19/2000	05/01/2023	05/19/2000	05/01/2023	12,900,000	457,991	8
05/23/2002	02/01/2032	05/23/2002	02/01/2032	20,930,000	740,842	9
05/23/2002	02/01/2032	05/23/2002	02/01/2032	2,400,000	84,951	10
05/23/2002	02/01/2032	05/23/2002	02/01/2032	2,400,000	84,951	11
05/23/2002	02/01/2032	05/23/2002	02/01/2032	7,400,000	261,932	12
10/03/2002	10/01/2032	10/03/2002	10/01/2032	96,000,000	3,426,467	13
10/20/2004	10/01/2034	10/20/2004	10/01/2034	50,000,000	1,750,358	14
07/07/2005	06/01/2035	07/07/2005	06/01/2035	13,266,950	463,029	15
11/17/2005	06/01/2035	11/17/2005	06/01/2035	13,266,950	461,548	16
07/20/2006	06/01/2036	07/20/2006	06/01/2036	16,693,620	279,801	17
12/07/2006	03/01/2036	12/07/2006	06/01/2036	16,693,620	42,893	18
				433,540	-927,652	19
					-347,623	20
				359,384,680	12,994,886	21
						22
						23
04/30/2003	04/30/2013			100,000,000	4,550,000	24
08/15/2003	08/15/2013			75,000,000	3,982,500	25
11/24/2003	11/24/2010			33,000,000	1,399,200	26
01/15/2004	01/16/2012			50,000,000	2,195,000	27
07/08/2005	07/08/2015			50,000,000	2,367,500	28
12/19/2005	12/21/2015			75,000,000	4,008,833	29
06/23/2006	06/23/2036			50,000,000	1,652,834	30
10/25/2006	10/25/2016			50,000,000	520,208	31
				483,000,000	20,676,075	32
				842,384,680	33,670,961	33

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 1 Column: a

Other Operating Cash Flows:

Net salvage	\$	(3,601,467)
Net decrease in Prepayments		2,764,016
Net increase in Derivative Assets		(1,619,259)
Amortization of Debt Expenses		256,909
Amortization of Loss on Bonds		791,461
Increase in Prov for Post-Retirement Benefits		449,330
Net increase in Asset Retirement Obligations		5,845,242
Net decrease in Customer Advances for Construction		(119,865)
Depreciation charged to clearing accounts		1,219,777
Net decrease in Other Comprehensive Income		(19,336,791)

Total	\$	(13,350,647)

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES					
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p>					
Line No.	Particulars (Details) (a)				Amount (b)
1	Net Income for the Year (Page 117)				151,820,783
2					
3					
4	Taxable Income Not Reported on Books				
5	See Footnotes				2,981,230
6					
7					
8					
9	Deductions Recorded on Books Not Deducted for Return				
10	See Footnotes				100,989,814
11					
12					
13					
14	Income Recorded on Books Not Included in Return				
15	See Footnotes				39,420,429
16					
17					
18					
19	Deductions on Return Not Charged Against Book Income				
20	See Footnotes				38,954,831
21					
22					
23					
24					
25					
26					
27	Federal Tax Net Income				177,416,567
28	Show Computation of Tax:				
29	35% Rounded				62,095,798
30	Add: Adjustments of Prior Years' Taxes to Actual and Other				773,396
31	Add: Investment Tax Credits & Other				-12,000,000
32	Total				50,869,194
33					
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44					

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 5 Column: b

Contributions in Aid of Construction	2,500,000
Other	481,230

	2,981,230
	=====

Schedule Page: 261 Line No.: 10 Column: b

Federal Income Taxes:	
Utility Operating Income	48,696,525
Other Income and Deductions	2,172,669
Current State Income Tax	2,427,024
Tax over Book Depreciation, Net	6,059,000
VDT Amortization	2,943,596
SFAS 106 (Postretirement)	2,815,590
Provision for Deferred Income Taxes	1,128,560
Investment Tax Credit	12,000,000
Capitalized Interest	10,800,000
Loss on Reacquired Debt-Amortization	689,205
Contingent Liabilities	905,944
OMU Excess Amortization	2,919,811
Regulatory Expenses	1,524,404
Storm Damages	791,604
AFUDC	806,746
Non-Deductible Expenses	1,005,100
Life Insurance	707,185
Other	2,596,851

	100,989,814
	=====

Schedule Page: 261 Line No.: 15 Column: b

Equity in Subsidiary Earnings - EEI	22,000,000
Over/Under Collection Env. Surcharge	6,488,782
Fuel Adjustment Clause KY & VA	9,849,775
Amortization of Investment Tax Credit	1,081,872

	39,420,429
	=====

Schedule Page: 261 Line No.: 20 Column: b

Repair Allowance	3,000,000
Cost of Removal	6,000,000
Pensions	3,743,388
MISO Exit Fees	20,097,794
EEI Investment	1,905,773
IRC 199 Manufacturing Deduction	2,800,000
Non-Deductible Meals & Ent and FAS 106 SUB	838,451
Other	569,425

	38,954,831
	=====

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal:					
2	Income	9,440,003		50,869,194	71,612,384	
3	FICA	366,742		5,068,968	4,999,510	
4						
5	Kentucky:					
6	Income	3,479,892		11,427,167	9,961,839	
7	Public Service Commission		703,173	1,535,521	1,664,696	
8	Sales & Use	277,580		2,433,275	2,466,581	
9	Auto License			129,910	129,910	
10						
11	Federal & Kentucky:					
12	Unemployment Insurance	22,421		105,570	96,083	
13						
14	Kentucky & Local:					
15	Property Taxes	914,903		11,414,084	1,200,357	
16	Miscellaneous					
17						
18						
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40						
41	TOTAL	14,501,541	703,173	82,983,689	92,131,360	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>			
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p>						
BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED			Line	
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	No.
						1
-11,303,187		48,696,525			2,172,669	2
436,200		5,469,567			-400,599	3
						4
						5
4,945,220		11,375,572			51,595	6
	832,348	1,535,521				7
244,274					2,433,275	8
					129,910	9
						10
						11
31,908		182,437			-76,867	12
						13
						14
11,128,630		11,367,261			46,823	15
		48,282			-48,282	16
						17
						18
						19
						20
						21
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5,483,045	832,348	78,675,165			4,308,524	41

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 1 Column: a

	col 1 Other	Page 117 Other Inc & Deductions 408.2 - 409.2	Other Accounts
Segregation of Other			
Federal:			
Income	2,172,669	2,172,669	
FICA	(400,599)		(400,599)
Kentucky:			
Income	51,595	51,595	-
PSC	-		-
6% Use	2,433,275		2,433,275
Auto License	129,910		129,910
Federal & Kentucky:			
Unemployment Ins	(76,867)		(76,867)
Kentucky & Local:			
Property Taxes	46,823	22,452	24,371
Miscellaneous	(48,282)		(48,282)
Total	4,308,524	2,246,716	2,061,808

Reconciliation to page 114, line 14:

Other:	
Electric Total	78,675,165
Less Federal	(48,696,525)
Less State	(11,375,572)

	18,603,068

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)							
Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.							
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	545,481			420	518,020	
6	8%	1,560,166			420	563,852	
7	15%		411.4	12,000,000	0		
8	TOTAL	2,105,647		12,000,000		1,081,872	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
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11							
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13							
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No.
					1
					2
					3
					4
27,461	25 years				5
996,314	25 years				6
12,000,000	37 years				7
13,023,775					8
					9
					10
					11
					12
					13
					14
					15
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
OTHER DEFFERED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Brown CT Long Term Service	4,612,391	186, 232	1,594,119		3,018,272
2	Agreement					
3						
4	University of Kentucky Center for					
5	Applied Energy Research Grant		242, 426	250,000	470,568	220,568
6						
7	Demand Side Management -					
8	Refundable Costs	2,072,768	186	877,780	719,626	1,914,614
9						
10	OMU - Excess Bond Funds	2,311,695	555	182,007		2,129,688
11						
12	Environmental Cost Recovery	6,488,782	440-445	9,663,117	3,174,335	
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
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33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	15,485,636		12,567,023	4,364,529	7,283,142

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Accelerated Amortization (Account 281)				
2	Electric				
3	Defense Facilities				
4	Pollution Control Facilities				
5	Other (provide details in footnote):				
6					
7					
8	TOTAL Electric (Enter Total of lines 3 thru 7)				
9	Gas				
10	Defense Facilities				
11	Pollution Control Facilities				
12	Other (provide details in footnote):				
13					
14					
15	TOTAL Gas (Enter Total of lines 10 thru 14)				
16					
17	TOTAL (Acct 281) (Total of 8, 15 and 16)				
18	Classification of TOTAL				
19	Federal Income Tax				
20	State Income Tax				
21	Local Income Tax				
NOTES					

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21

NOTES (Continued)

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	300,754,254	21,214,651	27,980,196	
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	300,754,254	21,214,651	27,980,196	
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	300,754,254	21,214,651	27,980,196	
10	Classification of TOTAL				
11	Federal Income Tax	257,867,820	17,209,566	23,439,983	
12	State Income Tax	42,886,434	4,005,085	4,540,213	
13	Local Income Tax				
NOTES					

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		182	10,880,581	182	8,319,067	291,427,195	2
							3
							4
			10,880,581		8,319,067	291,427,195	5
							6
							7
							8
			10,880,581		8,319,067	291,427,195	9
							10
			7,009,023		7,878,810	252,507,190	11
			6,661,750		3,230,449	38,920,005	12
							13

NOTES (Continued)

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3	OMU & Other Emission Allowance	1,614,223	33,693	1,166,578	
4	Loss on Reacquired Debt	4,291,781	1,037	275,541	
5	FAS 143	5,171,707	2,858,230	112,834	
6	VDT Workforce Reduction	1,164,192		1,164,192	
7	Regulatory Expenses	1,312,627	4,545	604,493	
8	Other	8,972,397	11,999,555	1,554,790	
9	TOTAL Electric (Total of lines 3 thru 8)	22,526,927	14,897,060	4,878,428	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18	Other	5,672,465			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	28,199,392	14,897,060	4,878,428	
20	Classification of TOTAL				
21	Federal Income Tax	23,453,034	12,256,954	3,571,695	
22	State Income Tax	4,746,358	2,640,106	1,306,733	
23	Local Income Tax				
NOTES					

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
						481,338	3
						4,017,277	4
						7,917,103	5
							6
						712,679	7
		182	356,827	182	215,341	19,275,676	8
			356,827		215,341	32,404,073	9
							10
							11
							12
							13
							14
							15
							16
							17
810,603	162,483					6,320,585	18
810,603	162,483		356,827		215,341	38,724,658	19
							20
677,199			320,347		196,557	32,691,702	21
133,404	162,483		36,480		18,784	6,032,956	22
							23

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 8 Column: b

Beginning Balance:	
FAC Under-Recovery	5,616,239
Storm Damages	1,082,908
FAS 109 Regulatory Tax Adjustments	1,835,615
Other	437,635

	8,972,397
	=====

Schedule Page: 276 Line No.: 8 Column: c

Debit Change Account 410.1:	
FAC Under-Recovery	3,973,883
MISO Exit Fees	8,019,005
Other	6,667

	11,999,555
	=====

Schedule Page: 276 Line No.: 8 Column: d

Credit Change Account 411.1:	
FAC Under-Recovery	830,190
Storm Damages	313,079
MISO Exit Fees	200,975
Other	210,546

	1,554,790
	=====

Schedule Page: 276 Line No.: 8 Column: h

Debit Adjustments:	
FAS 109 Regulatory Tax Adjustments	356,827
	=====

Schedule Page: 276 Line No.: 8 Column: j

Credit Adjustments:	
FAS 109 Regulatory Tax Adjustments	215,341
	=====

Schedule Page: 276 Line No.: 8 Column: k

Ending Balance:	
FAC Under-Recovery	8,759,932
Storm Damages	769,828
FAS 109 Regulatory Tax Adjustments	1,694,130
MISO Exit Fees	7,818,030
Other	233,756

	19,275,676
	=====

Schedule Page: 276 Line No.: 18 Column: b

Beginning Balance:	
EI Investment	5,672,465
	=====

Schedule Page: 276 Line No.: 18 Column: e

Debit Change Account 410.2:	
EI Investment	810,603
	=====

Schedule Page: 276 Line No.: 18 Column: f

Credit Change Account 411.2:	
EI Investment	162,483
	=====

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 18 Column: k

Ending Balance:

EEl Investment

6,320,585

=====

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
OTHER REGULATORY LIABILITIES (Account 254)						
<p>1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.</p> <p>2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.</p> <p>3. For Regulatory Liabilities being amortized, show period of amortization.</p>						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Spare Parts	1,130,980	Various	43,104	77,468	1,165,344
2						
3	SFAS 109 - Income Taxes	28,827,232	190	16,440,973	19,158,709	31,544,968
4						
5	Asset Retirement Obligation - Generation	994,707	403		252,192	1,246,899
6						
7	Asset Retirement Obligation - Transmission	671,770	403			671,770
8						
9	MISO Schedule 10 Charges		456		1,310,392	1,310,392
10						
11						
12						
13						
14						
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36						
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40						
41	TOTAL	31,624,689		16,484,077	20,798,761	35,939,373

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
<p>1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.</p> <p>2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.</p> <p>3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.</p> <p>4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.</p>					
Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)		
1	Sales of Electricity				
2	(440) Residential Sales	380,586,936	363,643,918		
3	(442) Commercial and Industrial Sales				
4	Small (or Comm.) (See Instr. 4)	261,749,380	241,127,093		
5	Large (or Ind.) (See Instr. 4)	285,561,727	257,784,835		
6	(444) Public Street and Highway Lighting	8,539,350	8,052,097		
7	(445) Other Sales to Public Authorities	80,477,305	75,555,493		
8	(446) Sales to Railroads and Railways				
9	(448) Interdepartmental Sales				
10	TOTAL Sales to Ultimate Consumers	1,016,914,698	946,163,436		
11	(447) Sales for Resale	172,722,121	209,896,811		
12	TOTAL Sales of Electricity	1,189,636,819	1,156,060,247		
13	(Less) (449.1) Provision for Rate Refunds				
14	TOTAL Revenues Net of Prov. for Refunds	1,189,636,819	1,156,060,247		
15	Other Operating Revenues				
16	(450) Forfeited Discounts				
17	(451) Miscellaneous Service Revenues	1,391,724	1,425,734		
18	(453) Sales of Water and Water Power				
19	(454) Rent from Electric Property	2,729,645	1,994,753		
20	(455) Interdepartmental Rents				
21	(456) Other Electric Revenues	16,261,096	47,104,253		
22	(456.1) Revenues from Transmission of Electricity of Others				
23	(457.1) Regional Control Service Revenues				
24	(457.2) Miscellaneous Revenues				
25					
26	TOTAL Other Operating Revenues	20,382,465	50,524,740		
27	TOTAL Electric Operating Revenues	1,210,019,284	1,206,584,987		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC OPERATING REVENUES (Account 400)					
5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)					
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.					
7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.					
8. Include unmetered sales. Provide details of such Sales in a footnote.					
MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH			Line
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	No.	
				1	
6,312,756	6,598,850	434,993	429,259	2	
				3	
4,456,951	4,466,419	81,452	80,580	4	
6,318,648	6,261,314	1,979	2,005	5	
54,521	53,742	1,512	1,511	6	
1,553,697	1,595,948	7,971	7,987	7	
				8	
				9	
18,696,573	18,976,273	527,907	521,342	10	
4,451,582	5,781,202	41	49	11	
23,148,155	24,757,475	527,948	521,391	12	
				13	
23,148,155	24,757,475	527,948	521,391	14	
Line 12, column (b) includes \$ 10,104,565 of unbilled revenues.					
Line 12, column (d) includes -156,719 MWH relating to unbilled revenues					

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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FOOTNOTE DATA			

Schedule Page: 300 Line No.: 4 Column: b

Small category includes Commercial Lighting and Power accounts.

Schedule Page: 300 Line No.: 5 Column: b

Large category includes Industrial Lighting and Mine Power accounts.

Schedule Page: 300 Line No.: 12 Column: d

MWH related to unbilled revenues of -156,719 represents the net change of unbilled MWH from the previous period and could be positive or negative.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)					
1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.					
Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 440					
2	Residential Service-KY	5,952,514	347,316,884	408,176	14,583	0.0583
3	Outdoor Lighting-KY	24,989	3,383,341	41,070	608	0.1354
4	Residential Service-TN	131	1,979	1	131,000	0.0151
5	Full Electric Res. Service-TN	26	555	4	6,500	0.0213
6	Outdoor Lighting-TN	2	144	3	667	0.0720
7	Residential Service-VA	407,757	24,309,606	25,104	16,243	0.0596
8	Outdoor Lighting-VA	3,672	511,091	4,563	805	0.1392
9	Duplicate Customers			-43,928		
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Unbilled & Other Accruals	-76,336	5,063,336			-0.0663
40	Total for Account 440	6,312,755	380,586,936	434,993	14,512	0.0603
41	TOTAL Billed	18,853,292	1,006,810,133	527,907	35,713	0.0534
42	Total Unbilled Rev.(See Instr. 6)	-156,719	10,104,565	0	0	-0.0645
43	TOTAL	18,696,573	1,016,914,698	527,907	35,416	0.0544

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	End of 2006/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 442					
2	General Service-KY	1,470,546	101,723,047	69,419	21,184	0.0692
3	Net Metering Service-KY	8	613	1	8,000	0.0766
4	All Electric School-KY	20,399	1,064,090	70	291,414	0.0522
5	Outdoor Lighting-KY	47,153	5,131,535	18,585	2,537	0.1088
6	Small Time-of-Day Service-KY	206,099	8,844,747	53	3,888,660	0.0429
7	Combined Lighting & Power-KY	4,684,911	234,304,568	8,725	536,953	0.0500
8	Large Comm T.O.D.-KY	2,950,065	123,024,661	36	81,946,250	0.0417
9	Mine Power-KY	244,980	12,348,962	41	5,975,122	0.0504
10	Mine Power T.O.D.-KY	283,677	12,959,271	8	35,459,625	0.0457
11	Spec. Cont.-Newpage/Westvaco	103,646	3,590,668			0.0346
12	North American Stainless-KY	399,466	19,075,060	1	399,466,000	0.0478
13	Curtaiment Service-KY		-3,471,866	2		
14	Redundant Capacity		5,388	1		
15	General Service-VA	84,249	6,073,341	3,455	24,385	0.0721
16	Outdoor Lighting-VA	1,145	172,757	709	1,615	0.1509
17	Large Power Service-VA	343,348	18,112,008	246	1,395,724	0.0528
18	Curtaiment Service-VA		-19,200	1		
19	Duplicate Customers			-17,922		
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
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35						
36						
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38						
39	Unbilled & Other Accruals	-64,092	4,371,457			-0.0682
40	Total for Account 442	10,775,600	547,311,107	83,431	129,156	0.0508
41	TOTAL Billed	18,853,292	1,006,810,133	527,907	35,713	0.0534
42	Total Unbilled Rev.(See Instr. 6)	-156,719	10,104,565	0	0	-0.0645
43	TOTAL	18,696,573	1,016,914,698	527,907	35,416	0.0544

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 444					
2	General Service-KY	3,263	317,850	915	3,566	0.0974
3	Outdoor Lighting-KY	12	1,400	9	1,333	0.1167
4	Street Lighting-KY	44,035	7,588,382	512	86,006	0.1723
5	Combined Lighting & Power-KY	6,063	346,053	36	168,417	0.0571
6	General Service-VA	54	4,603	8	6,750	0.0852
7	Street Lighting-VA	1,637	245,813	34	48,147	0.1502
8	Duplicate Customer			-2		
9						
10						
11						
12						
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14						
15						
16						
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32						
33						
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35						
36						
37						
38						
39	Unbilled & Other Accruals	-543	35,249			-0.0649
40	Total for Account 444	54,521	8,539,350	1,512	36,059	0.1566
41	TOTAL Billed	18,853,292	1,006,810,133	527,907	35,713	0.0534
42	Total Unbilled Rev.(See Instr. 6)	-156,719	10,104,565	0	0	-0.0645
43	TOTAL	18,696,573	1,016,914,698	527,907	35,416	0.0544

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	End of 2006/Q4	
SALES OF ELECTRICITY BY RATE SCHEDULES						
<p>1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.</p> <p>2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.</p> <p>3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.</p> <p>4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).</p> <p>5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.</p> <p>6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 445					
2	Residential Service-KY	2,039	129,505	306	6,663	0.0635
3	Volunteer Fire Department-KY	460	26,703	30	15,333	0.0581
4	General Service-KY	122,447	8,430,922	4,958	24,697	0.0689
5	All Electric School-KY	98,758	5,132,902	233	423,854	0.0520
6	Outdoor Lighting-KY	6,027	707,122	2,267	2,659	0.1173
7	Combined Lighting & Power-KY	823,669	42,257,148	1,392	591,716	0.0513
8	Large Comm/Ind/T.O.D.-KY	434,020	18,501,847	6	72,336,667	0.0426
9	Floodwall Water Pumping-KY	95	2,953	5	19,000	0.0311
10	Residential Service-VA	612	37,588	59	10,373	0.0614
11	General Service-VA	13,359	954,256	502	26,612	0.0714
12	School Service-VA	24,846	1,196,469	162	153,370	0.0482
13	Outdoor Lighting-VA	577	87,072	238	2,424	0.1509
14	Large Power Service-VA	41,902	2,342,175	39	1,074,410	0.0559
15	Water Pumping Service-VA	634	36,120	11	57,636	0.0570
16	Duplicate Customer			-2,237		
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Unbilled & Other Accruals	-15,748	634,523			-0.0403
40	Total for Account 445	1,553,697	80,477,305	7,971	194,919	0.0518
41	TOTAL Billed	18,853,292	1,006,810,133	527,907	35,713	0.0534
42	Total Unbilled Rev.(See Instr. 6)	-156,719	10,104,565	0	0	-0.0645
43	TOTAL	18,696,573	1,016,914,698	527,907	35,416	0.0544

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 2 Column: c

Includes Fuel Adjustment Clause of \$35,706,391.

Schedule Page: 304 Line No.: 3 Column: c

Includes Fuel Adjustment Clause of \$155,952.

Schedule Page: 304 Line No.: 9 Column: d

Number of duplicate customers included on:

Line 3 39,639

Line 6 3

Line 8 4,286

Schedule Page: 304 Line No.: 39 Column: b

The MWH relating to unbilled revenues represents the net change of unbilled MWH from the previous period and could be positive or negative.

Schedule Page: 304.1 Line No.: 2 Column: c

Includes Fuel Adjustment Clause of \$9,292,933.

Schedule Page: 304.1 Line No.: 3 Column: c

Includes Fuel Adjustment Clause of \$45.

Schedule Page: 304.1 Line No.: 4 Column: c

Includes Fuel Adjustment Clause of \$127,116.

Schedule Page: 304.1 Line No.: 5 Column: c

Includes Fuel Adjustment Clause of \$295,320

Schedule Page: 304.1 Line No.: 6 Column: c

Includes Fuel Adjustment Clause of \$1,326,072.

Schedule Page: 304.1 Line No.: 7 Column: c

Includes Fuel Adjustment Clause of \$29,859,247.

Schedule Page: 304.1 Line No.: 8 Column: c

Includes Fuel Adjustment Clause of \$18,972,610.

Schedule Page: 304.1 Line No.: 9 Column: c

Includes Fuel Adjustment Clause of \$1,496,378.

Schedule Page: 304.1 Line No.: 10 Column: c

Includes Fuel Adjustment Clause of \$1,786,797.

Schedule Page: 304.1 Line No.: 11 Column: c

Includes Fuel Adjustment Clause of \$384,201.

Schedule Page: 304.1 Line No.: 11 Column: d

One customer was on a special rate for 5 months of the year. Accordingly, the average number of customers for the year rounds to less than 1.

Schedule Page: 304.1 Line No.: 12 Column: c

Includes Fuel Adjustment Clause of \$2,519,874.

Schedule Page: 304.1 Line No.: 13 Column: b

This item represents riders (discounts or premiums) to the standard tariffs and as such, the MWH has already been recorded as part of the tariffs listed above.

Schedule Page: 304.1 Line No.: 14 Column: b

This item represents riders (discounts or premiums) to the standard tariffs and as such, the MWH has already been recorded as part of the tariffs listed above.

Schedule Page: 304.1 Line No.: 18 Column: b

This item represents riders (discounts or premiums) to the standard tariffs and as such, the MWH has already been recorded as part of the tariffs listed above.

Schedule Page: 304.1 Line No.: 19 Column: d

Number of duplicate customers included on:

Line 5 17,252

Line 13 2

Line 14 1

Line 16 666

Line 18 1

Schedule Page: 304.1 Line No.: 39 Column: b

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

The MWH relating to unbilled revenues represents the net change of unbilled MWH from the previous period and could be positive or negative.

Schedule Page: 304.2 Line No.: 2 Column: c

Includes Fuel Adjustment Clause of \$20,232.

Schedule Page: 304.2 Line No.: 3 Column: c

Includes Fuel Adjustment Clause of \$72.

Schedule Page: 304.2 Line No.: 4 Column: c

Includes Fuel Adjustment Clause of \$275,088.

Schedule Page: 304.2 Line No.: 5 Column: c

Includes Fuel Adjustment Clause of \$39,983.

Schedule Page: 304.2 Line No.: 8 Column: d

Number of duplicate customers included on:

Line 3 3

Schedule Page: 304.2 Line No.: 39 Column: b

The MWH relating to unbilled revenues represents the net change of unbilled MWH from the previous period and could be positive or negative.

Schedule Page: 304.3 Line No.: 2 Column: c

Includes Fuel Adjustment Clause of \$12,443.

Schedule Page: 304.3 Line No.: 3 Column: c

Includes Fuel Adjustment Clause of \$2,745.

Schedule Page: 304.3 Line No.: 4 Column: c

Includes Fuel Adjustment Clause of \$764,863.

Schedule Page: 304.3 Line No.: 5 Column: c

Includes Fuel Adjustment Clause of \$598,366.

Schedule Page: 304.3 Line No.: 6 Column: c

Includes Fuel Adjustment Clause of \$37,684.

Schedule Page: 304.3 Line No.: 7 Column: c

Includes Fuel Adjustment Clause of \$5,273,166.

Schedule Page: 304.3 Line No.: 8 Column: c

Includes Fuel Adjustment Clause of \$2,827,688.

Schedule Page: 304.3 Line No.: 9 Column: c

Includes Fuel Adjustment Clause of \$1,275.

Schedule Page: 304.3 Line No.: 16 Column: d

Number of duplicate customers included on:

Line 6 2,021

Line 13 208

Schedule Page: 304.3 Line No.: 39 Column: b

The MWH relating to unbilled revenues represents the net change of unbilled MWH from the previous period and could be positive or negative.

Schedule Page: 304 Line No.: 42 Column: b

The MWH relating to unbilled revenues represents the net change of unbilled MWH from the previous period and could be positive or negative.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Barbourville	RQ	184	19	19	18
2	City of Barbourville	IF	184	NA	NA	NA
3	City of Bardstovwn	RQ	185	33	33	31
4	City of Bardstovwn	IF	185	NA	NA	NA
5	City of Bardwell	RQ	186	2	2	1
6	City of Bardwell	IF	186	NA	NA	NA
7	City of Benham	RQ	187	2	2	1
8	City of Benham	IF	187	NA	NA	NA
9	City of Berea	RQ	197	24	24	24
10	City of Corbin	RQ	188	15	17	15
11	City of Corbin	IF	188	NA	NA	NA
12	City of Falmouth	RQ	189	4	4	3
13	City of Falmouth	IF	189	NA	NA	NA
14	City of Frankfort	RQ	190	128	128	125
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	City of Frankfort	IF	190	NA	NA	NA
2	City of Madisonville-East	RQ	194	8	8	6
3	City of Madisonville-GE Sub.	RQ	192	8	8	6
4	City of Madisonville-Hosp. Sub.	RQ	161	9	9	8
5	City of Madisonville-McCoy Ave.	RQ	162	9	9	8
6	City of Madisonville-S/N	RQ	191	9	9	8
7	City of Madisonville-West	RQ	193	14	14	12
8	City of Madisonville	IF	161-162,191-194	NA	NA	NA
9	City of Nicholasville-#3	RQ	163	6	6	5
10	City of Nicholasville-#4 & #5	RQ	198	10	10	9
11	City of Nicholasville-#6	RQ	216	14	14	11
12	City of Nicholasville-#7	RQ	217	7	7	7
13	City of Nicholasville	IF	163,198,216,217	NA	NA	NA
14	City of Paris-Bourbon Heights	RQ	83	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
SALES FOR RESALE (Account 447)							
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>							
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)		
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)	
1	City of Paris-Bourbon Trace 1	RQ	83	NA	NA	NA	NA
2	City of Paris-Bourbon Trace 2	RQ	83	NA	NA	NA	NA
3	City of Paris Scott/Claysville	RQ	83	8	8		7
4	City of Paris-Vine Street	RQ	83	3	6		3
5	City of Paris-Weaver 2	RQ	83	NA	NA		NA
6	City of Paris-Weaver 3	RQ	83	NA	NA		NA
7	City of Paris-Wilson Drug	RQ	83	NA	NA		NA
8	City of Paris	IF	83	NA	NA		NA
9	City of Providence	RQ	195	4	4		3
10	City of Providence-East	RQ	196	2	2		2
11	City of Providence	IF	195,196	NA	NA		NA
12	Alabama Electric Cooperative, Inc.	OS	(2)				
13	Ameren Energy, Inc.	OS					
14	American Electric Power Service Corp	OS	(2)				
	Subtotal RQ			0	0		0
	Subtotal non-RQ			0	0		0
	Total			0	0		0

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Associated Electric Coop Inc	OS	(1)			
2	Big Rivers Electric Corp.	OS	(2)			
3	Big Rivers Electric Corp.	OS	(4)			
4	Cargill Power Markets, LLC	OS	(1)			
5	Cargill Power Markets, LLC	OS				
6	Cincinnati Gas & Electric Company	OS	(2)			
7	Cobb Electric Membership Corporation	OS	(1)			
8	Constellation Energy Comds. Grp. Inc	OS	(2)			
9	Dayton Power & Light Co	OS	(2)			
10	DTE Energy Trading Inc.	OS	(2)			
11	DTE Energy Trading Inc.	OS				
12	Duke Energy Ohio, Inc.	OS	(2)			
13	East Kentucky Power Cooperative, Inc	OS	(2)			
14	Fortis Energy Marketing & Trading GP	OS	(1)			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
SALES FOR RESALE (Account 447)						
<p>1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).</p> <p>2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Illinois Municipal Electric Agency	OS	(2)			
2	Illinois Municipal Electric Agency	OS	(5)			
3	Indiana Municipal Power Agency	OS	31			
4	Louisville Gas & Electric	SF	(3)			
5	Man Financial Inc.	OS				
6	Merrill Lynch Commodities, Inc.	OS	(1)			
7	Midwest Independent Transmission Ope	OS	(2)			
8	Owensboro Municipal Utilities	IF	74	25		
9	Owensboro Municipal Utilities	OS	74			
10	Progress Energy Ventures Inc.	OS	(1)			
11	PSI Energy Inc.	OS	(2)			
12	Rainbow Energy Marketing Corp.	OS	(2)			
13	Sempra Energy Trading Corp.	OS	(2)			
14	Southern Company Services, Inc.	OS	(2)			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)		
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)	
1	Southern Indiana Gas & Electric Co.	OS	(2)				
2	Split Rock Energy LLC	OS	(1)				
3	Split Rock Energy LLC	OS					
4	Tenaska Power Services Co	OS	(1)				
5	Tennessee Valley Authority	OS	(1)				
6	The Energy Authority	OS	(2)				
7	Transalta Energy Marketing (U.S.) In	OS	(1)				
8	Westar Energy, Inc.	OS	(1)				
9	Note: Negative revenues and mwh's s						
10	result from the netting of brokered						
11	activity and represent net purchases						
12							
13							
14							
Subtotal RQ					0	0	0
Subtotal non-RQ					0	0	0
Total					0	0	0

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
104,448	1,636,222	2,433,638	483,460	4,553,320	1
-3,960		-269,127		-269,127	2
197,913	2,889,679	4,611,368	927,376	8,428,423	3
-4,045		-274,876		-274,876	4
9,142	160,642	212,999	45,025	418,666	5
-976		-66,303		-66,303	6
6,842	138,017	159,428	28,719	326,164	7
-446		-30,338		-30,338	8
138,510	2,154,369	3,227,279	630,065	6,011,713	9
83,148	1,356,237	1,937,348	397,498	3,691,083	10
-4,676		-317,814		-317,814	11
19,251	312,160	448,553	92,405	853,118	12
-1,062		-72,175		-72,175	13
784,917	11,352,107	18,288,573	3,625,080	33,265,760	14
1,978,230	29,083,912	46,405,556	9,203,521	84,692,989	
2,473,351	818,380	86,466,251	744,501	88,029,132	
4,451,581	29,902,292	132,871,807	9,948,022	172,722,121	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$ (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
-28,118		-1,910,921		-1,910,921	1
41,533	688,439	967,720	207,495	1,863,654	2
51,714	692,486	1,204,936	239,206	2,136,628	3
56,813	803,906	1,323,738	269,759	2,397,403	4
47,309	817,857	1,102,295	232,690	2,152,842	5
57,041	839,449	1,329,051	268,328	2,436,828	6
85,910	1,206,838	2,001,712	400,291	3,608,841	7
-14,045		-954,543		-954,543	8
29,805	499,584	694,458	140,197	1,334,239	9
49,387	849,085	1,150,724	227,179	2,226,988	10
87,722	1,202,697	2,043,919	394,784	3,641,400	11
37,934	655,003	883,870	174,277	1,713,150	12
-4,601		-312,676		-312,676	13
1,104		31,650	5,407	37,057	14
1,978,230	29,083,912	46,405,556	9,203,521	84,692,989	
2,473,351	818,380	86,466,251	744,501	88,029,132	
4,451,581	29,902,292	132,871,807	9,948,022	172,722,121	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
391		11,214	1,716	12,930	1
308		8,834	1,389	10,223	2
40,428	48,750	1,159,060	188,556	1,396,366	3
15,445	262,500	442,814	71,173	776,487	4
322		9,239	1,334	10,573	5
68		1,940	270	2,210	6
179		5,134	860	5,994	7
-2,455		-166,858		-166,858	8
17,872	312,402	416,418	87,970	816,790	9
12,774	205,483	297,644	61,012	564,139	10
-2,216		-150,589		-150,589	11
11		496		496	12
			-797	-797	13
13,639		642,715		642,715	14
1,978,230	29,083,912	46,405,556	9,203,521	84,692,989	
2,473,351	818,380	86,466,251	744,501	88,029,132	
4,451,581	29,902,292	132,871,807	9,948,022	172,722,121	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
5,796		300,513		300,513	1
280		-27,479		-27,479	2
195		20,227		20,227	3
7,004		328,155		328,155	4
			394,982	394,982	5
-1		-267		-267	6
1,484		72,255		72,255	7
2,395		114,737		114,737	8
62		2,440		2,440	9
59,939	818,380	4,570,617		5,388,997	10
			106,757	106,757	11
2		202		202	12
823		36,555		36,555	13
213		9,298		9,298	14
1,978,230	29,083,912	46,405,556	9,203,521	84,692,989	
2,473,351	818,380	86,466,251	744,501	88,029,132	
4,451,581	29,902,292	132,871,807	9,948,022	172,722,121	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
SALES FOR RESALE (Account 447) (Continued)					
<p>OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.</p> <p>AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)</p> <p>5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.</p> <p>6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.</p> <p>8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.</p> <p>9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.</p> <p>10. Footnote entries as required and provide explanations following all required data.</p>					
MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
		-1,697		-1,697	1
121		4,602		4,602	2
127		3,021		3,021	3
2,303,138		76,646,808		76,646,808	4
			243,644	243,644	5
5,287		244,345		244,345	6
143,035		8,989,975		8,989,975	7
-44,990		-3,057,592		-3,057,592	8
17,610		962,749		962,749	9
634		31,365		31,365	10
-5		-367		-367	11
164		9,234		9,234	12
3,082		154,022		154,022	13
-1		-71		-71	14
1,978,230	29,083,912	46,405,556	9,203,521	84,692,989	
2,473,351	818,380	86,466,251	744,501	88,029,132	
4,451,581	29,902,292	132,871,807	9,948,022	172,722,121	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
40		3,253		3,253	1
570		29,654		29,654	2
			-85	-85	3
43		2,241		2,241	4
10,425		478,880		478,880	5
2,097		88,335		88,335	6
474		24,889		24,889	7
6,258		308,361		308,361	8
					9
					10
					11
					12
					13
					14
1,978,230	29,083,912	46,405,556	9,203,521	84,692,989	
2,473,351	818,380	86,466,251	744,501	88,029,132	
4,451,581	29,902,292	132,871,807	9,948,022	172,722,121	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: j
All amounts in column J (other charges) for RQ's relate to a wholesale municipal fuel adjustment clause.
Schedule Page: 310.2 Line No.: 12 Column: b
Market Based Sale
Schedule Page: 310.2 Line No.: 12 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.2 Line No.: 13 Column: b
Financial Swap
Schedule Page: 310.2 Line No.: 13 Column: j
Financial Swap
Schedule Page: 310.2 Line No.: 14 Column: b
Market Based Sale
Schedule Page: 310.2 Line No.: 14 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.3 Line No.: 1 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 1 Column: c
(1) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.3 Line No.: 2 Column: b
Emergency Power
Schedule Page: 310.3 Line No.: 2 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.3 Line No.: 2 Column: i
Refund per FERC LG&E Energy Marketing, Inc., et al. Docket No. ER94-1188-037, et al.
Schedule Page: 310.3 Line No.: 3 Column: b
Emergency Power
Schedule Page: 310.3 Line No.: 3 Column: c
(4) FERC Electric Tariff, Original Volume No. 4
Schedule Page: 310.3 Line No.: 4 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 4 Column: c
(1) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.3 Line No.: 5 Column: b
Financial Swap
Schedule Page: 310.3 Line No.: 5 Column: j
Financial Swap
Schedule Page: 310.3 Line No.: 6 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 6 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.3 Line No.: 7 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 7 Column: c
(1) FERC Electric Tariff, Original Volume No. 3
Schedule Page: 310.3 Line No.: 8 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 8 Column: c
(2) FERC Electric Tariff, Original Volume No. 2
Schedule Page: 310.3 Line No.: 9 Column: b
Market Based Sale
Schedule Page: 310.3 Line No.: 9 Column: c
FERC FORM NO. 1 (ED. 12-87)
Page 450.1

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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FOOTNOTE DATA			

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.3 Line No.: 10 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 10 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.3 Line No.: 11 Column: b

Financial Swap

Schedule Page: 310.3 Line No.: 11 Column: j

Financial Swap

Schedule Page: 310.3 Line No.: 12 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 12 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.3 Line No.: 13 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 13 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.3 Line No.: 14 Column: b

Market Based Sale

Schedule Page: 310.3 Line No.: 14 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 1 Column: b

Backup Power

Schedule Page: 310.4 Line No.: 1 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.4 Line No.: 1 Column: i

Illinois Municipal Electric Agency (IMEA) is a 12.12% owner of Trimble County Unit 1 (TC1). This credit (contra sale) reflects IMEA's portion of Emergency Power sold to Midwest Independent Transmission System Operator (MISO) when TC1 had an Automatic Reserve Sharing (ARS) event.

Schedule Page: 310.4 Line No.: 2 Column: b

Backup Power

Schedule Page: 310.4 Line No.: 2 Column: c

(5) FERC Electric Tariff, Original Volume No. 5

Schedule Page: 310.4 Line No.: 3 Column: b

Backup Power

Schedule Page: 310.4 Line No.: 4 Column: a

Louisville Gas and Electric Company and Kentucky Utilities are both owned by E.ON U.S. LLC.

Schedule Page: 310.4 Line No.: 4 Column: c

(3) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000

Schedule Page: 310.4 Line No.: 5 Column: b

Financial Swap

Schedule Page: 310.4 Line No.: 5 Column: j

Financial Swap

Schedule Page: 310.4 Line No.: 6 Column: b

Market Based Purchase

Schedule Page: 310.4 Line No.: 6 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 7 Column: b

Market Based Purchase

Schedule Page: 310.4 Line No.: 7 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.4 Line No.: 9 Column: b

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FOOTNOTE DATA			

Backup Power

Schedule Page: 310.4 Line No.: 10 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 10 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.4 Line No.: 11 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 11 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.4 Line No.: 12 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 12 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.4 Line No.: 13 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 13 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.4 Line No.: 14 Column: b

Market Based Sale

Schedule Page: 310.4 Line No.: 14 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 1 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 1 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 2 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 2 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 3 Column: b

Financial Swap

Schedule Page: 310.5 Line No.: 3 Column: j

Financial Swap

Schedule Page: 310.5 Line No.: 4 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 4 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 5 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 5 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 6 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 6 Column: c

(2) FERC Electric Tariff, Original Volume No. 2

Schedule Page: 310.5 Line No.: 7 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 7 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

Schedule Page: 310.5 Line No.: 8 Column: b

Market Based Sale

Schedule Page: 310.5 Line No.: 8 Column: c

(1) FERC Electric Tariff, Original Volume No. 3

FERC FORM NO. 1 (ED. 12-87)

Page 450.3

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 310.5 Line No.: 9 Column: a

Unless otherwise noted, negative figures represent accounting required by EITF 02-03 netting brokered purchases and brokered sales.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	3,643,869	3,358,623	
5	(501) Fuel	377,673,157	323,849,752	
6	(502) Steam Expenses	8,783,650	7,573,494	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	5,489,171	5,099,643	
10	(506) Miscellaneous Steam Power Expenses	7,451,722	6,006,140	
11	(507) Rents			
12	(509) Allowances	3,075,882	2,250,452	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	406,117,451	348,138,104	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	4,592,397	4,051,265	
16	(511) Maintenance of Structures	4,535,489	4,456,544	
17	(512) Maintenance of Boiler Plant	20,380,208	19,774,591	
18	(513) Maintenance of Electric Plant	5,407,895	11,035,715	
19	(514) Maintenance of Miscellaneous Steam Plant	1,151,325	833,643	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	36,067,314	40,151,758	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	442,184,765	388,289,862	
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering			
25	(518) Fuel			
26	(519) Coolants and Water			
27	(520) Steam Expenses			
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses			
31	(524) Miscellaneous Nuclear Power Expenses			
32	(525) Rents			
33	TOTAL Operation (Enter Total of lines 24 thru 32)			
34	Maintenance			
35	(528) Maintenance Supervision and Engineering			
36	(529) Maintenance of Structures			
37	(530) Maintenance of Reactor Plant Equipment			
38	(531) Maintenance of Electric Plant			
39	(532) Maintenance of Miscellaneous Nuclear Plant			
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)			
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)			
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering	10,191	4,606	
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses	32,026	28,939	
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	42,217	33,545	
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering	96,497	107,998	
54	(542) Maintenance of Structures	102,634	63,237	
55	(543) Maintenance of Reservoirs, Dams, and Waterways		47,566	
56	(544) Maintenance of Electric Plant	79,995	117,793	
57	(545) Maintenance of Miscellaneous Hydraulic Plant	15,344	29,148	
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	294,470	365,742	
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	336,687	399,287	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	161,414	195,954	
63	(547) Fuel	45,319,989	59,297,257	
64	(548) Generation Expenses	559,572	467,298	
65	(549) Miscellaneous Other Power Generation Expenses	117,937	94,206	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	46,158,912	60,054,715	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	30,947	32,236	
70	(552) Maintenance of Structures	142,707	110,246	
71	(553) Maintenance of Generating and Electric Plant	3,090,188	1,897,547	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	124,990	188,187	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	3,388,832	2,228,216	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	49,547,744	62,282,931	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	182,445,055	218,954,119	
77	(556) System Control and Load Dispatching	1,497,716	1,423,158	
78	(557) Other Expenses	14,341,453	43,097,638	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	198,284,224	263,474,915	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	690,353,420	714,446,995	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	809,885	775,602	
84	(561) Load Dispatching	905,814	887,263	
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System			
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services	2,148,397		
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services	154,475		
93	(562) Station Expenses	487,492	402,379	
94	(563) Overhead Lines Expenses	351,588	290,645	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	636,490	2,063,552	
97	(566) Miscellaneous Transmission Expenses	1,961,218	12,411,148	
98	(567) Rents	66,325	59,418	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	7,521,684	16,890,007	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures			
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	1,419,942	1,209,611	
108	(571) Maintenance of Overhead Lines	3,230,365	2,570,166	
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant	366,416	274,008	
111	TOTAL Maintenance (Total of lines 101 thru 110)	5,016,723	4,053,785	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	12,538,407	20,943,792	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3. REGIONAL MARKET EXPENSES			
114	Operation			
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation			
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services	2,467,269		
122	(575.8) Rents			
123	Total Operation (Lines 115 thru 122)	2,467,269		
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	2,467,269		
132	4. DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	1,364,286	1,384,801	
135	(581) Load Dispatching	626,656	560,613	
136	(582) Station Expenses	1,134,872	985,967	
137	(583) Overhead Line Expenses	3,118,262	3,285,663	
138	(584) Underground Line Expenses	99,125	166,680	
139	(585) Street Lighting and Signal System Expenses	7,135	11,029	
140	(586) Meter Expenses	6,205,589	5,988,006	
141	(587) Customer Installations Expenses	-101,068	-111,350	
142	(588) Miscellaneous Expenses	4,786,165	4,451,444	
143	(589) Rents	11,044	13,529	
144	TOTAL Operation (Enter Total of lines 134 thru 143)	17,252,066	16,736,382	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering	5,742	4,258	
147	(591) Maintenance of Structures			
148	(592) Maintenance of Station Equipment	1,510,368	1,033,634	
149	(593) Maintenance of Overhead Lines	19,402,799	19,144,279	
150	(594) Maintenance of Underground Lines	639,610	451,505	
151	(595) Maintenance of Line Transformers	64,791	98,681	
152	(596) Maintenance of Street Lighting and Signal Systems	182,499	232,057	
153	(597) Maintenance of Meters			
154	(598) Maintenance of Miscellaneous Distribution Plant	7,183	834	
155	TOTAL Maintenance (Total of lines 146 thru 154)	21,812,992	20,965,248	
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	39,065,058	37,701,630	
157	5. CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision	2,100,254	1,885,452	
160	(902) Meter Reading Expenses	4,692,871	4,522,749	
161	(903) Customer Records and Collection Expenses	11,543,567	10,832,569	
162	(904) Uncollectible Accounts	2,608,946	2,338,612	
163	(905) Miscellaneous Customer Accounts Expenses	70,757	130,794	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	21,016,395	19,710,176	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	248,670	185,141	
168	(908) Customer Assistance Expenses	4,180,358	4,128,841	
169	(909) Informational and Instructional Expenses	184,059	208,403	
170	(910) Miscellaneous Customer Service and Informational Expenses	225,350	288,452	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	4,838,437	4,810,837	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses		207	
176	(913) Advertising Expenses			
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		207	
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	14,150,106	12,998,956	
182	(921) Office Supplies and Expenses	6,836,146	8,422,479	
183	(Less) (922) Administrative Expenses Transferred-Credit	1,221,870	1,116,663	
184	(923) Outside Services Employed	6,957,638	7,592,227	
185	(924) Property Insurance	3,097,847	3,968,934	
186	(925) Injuries and Damages	1,690,654	2,268,036	
187	(926) Employee Pensions and Benefits	28,229,324	22,757,866	
188	(927) Franchise Requirements	3,023	2,703	
189	(928) Regulatory Commission Expenses		2,430	
190	(929) (Less) Duplicate Charges-Cr.	3,023	2,703	
191	(930.1) General Advertising Expenses	558,300	686,983	
192	(930.2) Miscellaneous General Expenses	4,937,489	13,593,144	
193	(931) Rents	1,404,837	1,189,508	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	66,640,471	72,363,900	
195	Maintenance			
196	(935) Maintenance of General Plant	6,296,915	4,491,394	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	72,937,386	76,855,294	
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	843,216,372	874,468,931	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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FOOTNOTE DATA			

Schedule Page: 320 Line No.: 78 Column: b
Expenses for MISO Day 2 were recorded in FERC 575.7 in 2006.

Schedule Page: 320 Line No.: 78 Column: c
This increase is due to expenses incurred in 2005 for MISO Day 2.

Schedule Page: 320 Line No.: 84 Column: c
Includes Balancing Authority Cost Recovery Schedule 24A
561.BA \$674,534.11

Schedule Page: 320 Line No.: 96 Column: b
The primary cause of the decrease in account 565 between 2005 and 2006 is a credit of \$1.3M booked to electric transmission related to off-system sales to Midwest Independent Transmission System Operator, Inc. based on non-firm point-to-point service resettlement per the FERC Order regarding DTE Energy Trading, Inc. vs MISO, docket #EL05-63-000.

Schedule Page: 320 Line No.: 121 Column: b
Expenses for MISO Day 2 were recorded in FERC 557 in 2005.

Schedule Page: 320 Line No.: 141 Column: b
Credit is due to meter tampering charges billed to customers to offset cost of meter maintenance. Cost is recorded in several other accounts.

Schedule Page: 320 Line No.: 141 Column: c
Credit is due to meter tampering charges billed to customers to offset cost of meter maintenance. Cost is recorded in several other accounts.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	American Electric Power Service Corp	OS	(1)			
2	Associated Electric Coop Inc	OS	(1)			
3	Big Rivers Electric Corp.	OS	(1)			
4	Cargill Power Markets, LLC	OS	(1)			
5	Cincinnati Gas & Electric Company	OS	(1)			
6	Cobb Electric Membership Corporation	OS	(1)			
7	Constellation Energy Comds. Grp Inc.	OS	(1)			
8	Dayton Power & Light Co	OS	(1)			
9	Duke Energy Ohio, Inc.	OS	(1)			
10	East Kentucky Power Coop. Inc.	OS	(1)			
11	Electric Energy Inc.	RQ	199			
12	Illinois Municipal Electric Agency	OS	36			
13	Indiana Municipal Power Agency	OS	36			
14	Louisville Gas & Electric Co.	SF	(2)			
Total						

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Merrill Lynch Commodities, Inc.	OS	(1)			
2	Midwest Independent Transmission Oper.	OS	(1)			
3	Ohio Valley Electric Corporation	OS	13			
4	Owensboro Municipal Utilities	RQ	74	165		
5	Owensboro Municipal Utilities	IF	74			
6	Progress Energy Ventures Inc.	OS	(1)			
7	PSI Energy Inc.	OS	(1)			
8	Sempra Energy Trading Corp.	OS	(1)			
9	Southern Company Services, Inc.	OS	(1)			
10	Southern Indiana Gas & Electric Co.	OS	(1)			
11	The Energy Authority	OS	(1)			
12	Inadvertant Interchange					
13						
14						
	Total					

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4			
PURCHASED POWER (Account 555) (Continued) (Including power exchanges)							
AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.							
4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.							
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.							
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.							
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.							
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.							
9. Footnote entries as required and provide explanations following all required data.							
	POWER EXCHANGES		COST/SETTLEMENT OF POWER				
MegaWatt Hours Purchased (g)	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (i+k+l) of Settlement (\$) (m)	Line No.
4,539				332,183		332,183	1
1,096				85,332		85,332	2
64				6,806		6,806	3
1,952				114,252		114,252	4
89				9,358		9,358	5
84				8,200		8,200	6
102				6,392		6,392	7
50				2,400		2,400	8
24				2,296		2,296	9
83				6,304		6,304	10
200			2,012,700	-164,101		1,848,599	11
				-2,677		-2,677	12
				-2,844		-2,844	13
5,142,200				98,772,916		98,772,916	14
7,411,540	12,111		17,861,003	164,584,052		182,445,055	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
PURCHASED POWER (Account 555) (Continued) (Including power exchanges)			

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (i+k+l) of Settlement (\$) (m)	
122				8,872		8,872	1
544,162				30,887,796		30,887,796	2
412,891			1,586,227	8,829,087		10,415,314	3
1,302,395			14,262,076	25,566,617		39,828,693	4
10				664		664	5
223				23,415		23,415	6
101				10,772		10,772	7
25				1,022		1,022	8
675				47,475		47,475	9
45				4,773		4,773	10
408				26,742		26,742	11
	12,111						12
							13
							14
7,411,540	12,111		17,861,003	164,584,052		182,445,055	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 1 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 2 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 2 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 3 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 3 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 4 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 4 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 5 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 5 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 6 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 6 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 7 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 7 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 8 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 8 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 9 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 9 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 10 Column: b
Market Based Purchase
Schedule Page: 326 Line No.: 10 Column: c
(1) FERC-approved tariff and/or rate schedule as on file with the Commission.
Schedule Page: 326 Line No.: 11 Column: k
December 2005 true up
Schedule Page: 326 Line No.: 12 Column: b
Emergency Energy
Schedule Page: 326 Line No.: 12 Column: k
Illinois Municipal Electric Agency (IMEA) is a 12.12% owner of Trimble County Unit 1 (TC1). This credit (contra purchase) reflects IMEA's portion of Emergency Power purchased when TC1 had an Automatic Reserve Sharing (ARS) event. This credit offsets the Emergency Power purchase from a third party also listed on page 326 of the Form 1.
Schedule Page: 326 Line No.: 13 Column: b
Emergency Energy
Schedule Page: 326 Line No.: 13 Column: k
Indiana Municipal Power Agency (IMPA) is a 12.88% owner of Trimble County Unit 1 (TC1). This credit (contra purchase)
FERC FORM NO. 1 (ED. 12-87)
Page 450.1

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

reflects IMPA's portion of Emergency Power purchased when TC1 had an Automatic Reserve Sharing (ARS) event. This credit offsets the Emergency Power purchase from a third party also listed on page 326 of the Form 1.

Schedule Page: 326 Line No.: 14 Column: a

Louisville Gas and Electric Company and Kentucky Utilities are both owned by E.ON U.S. LLC.

Schedule Page: 326 Line No.: 14 Column: c

(2) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000

Schedule Page: 326.1 Line No.: 1 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 1 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 2 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 2 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 3 Column: a

The company owns 2.5% of the common stock of Ohio Valley Electric Corporation. Purchase of surplus power pursuant to Article 6 of the Intercompany Agreement among OVEC and Sponsoring Companies dated July 10, 1953.

Schedule Page: 326.1 Line No.: 3 Column: b

Surplus Power

Schedule Page: 326.1 Line No.: 6 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 6 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 7 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 7 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 8 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 8 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 9 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 9 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 10 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 10 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Schedule Page: 326.1 Line No.: 11 Column: b

Market Based Purchase

Schedule Page: 326.1 Line No.: 11 Column: c

(1) FERC-approved tariff and/or rate schedule as on file with the Commission.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Midwest ISO	Midwest ISO	Midwest ISO	OS	
2	EKPC (TS for Gallatin Steel)	East Kentucky Power	East Kentucky Power	OLF	
3	EKPC (TS for EKPC Area Load)	East Kentucky Power	East Kentucky Power	OLF	
4	TVA (TS for TVA Area Load)	Tennessee Valley Authority	Tennessee Valley Authority	OLF	
5	Cargill Power Markets LLC	N/A	N/A	SFP	
6	Louisville Gas & Elect.	LG&E	LG&E	OS	
7	East Kentucky Power Coop	East Kentucky Power	East Kentucky Power	OLF	
8					
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34					
	TOTAL				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
N/A	Midwest ISO	N/A				1
FPC 213	EKPC/LGEE & KU	EKPC/LGEE & KU	120	706,574	706,574	2
FPC 203	EKPC/LGEE & KU	EKPC/LGEE & KU	146	877,315	877,315	3
FPC 93	TVA/LGEE & KU	TVA/LGEE & KU	74	355,770	363,624	4
Vol. 1						5
Vol. 1						6
Vol. 1	EKPC/LGEE & KU	EKPC/LGEE & KU				7
						8
						9
						10
						11
						12
						13
						14
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						31
						32
						33
						34
			340	1,939,659	1,947,513	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')					
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>					
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS					
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.	
	3,241,923	-7,042,475	-3,800,552	1	
1,322,682			1,322,682	2	
1,153,617			1,153,617	3	
702,397			702,397	4	
	33,222	4,158	37,380	5	
	2,250,599	157,815	2,408,414	6	
	995,537	124,153	1,119,690	7	
				8	
				9	
				10	
				11	
				12	
				13	
				14	
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				30	
				31	
				32	
				33	
				34	
3,178,696	6,521,281	-6,756,349	2,943,628		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: e

Midwest ISO FERC Electric Tariff, First Revised Rate Schedule No. 1.

Schedule Page: 328 Line No.: 1 Column: m

Ancillary services consisting of Scheduling, System Control, Dispatch Services, Reactive Supply and Voltage control costs under Midwest ISO Open Access Transmission Tariff that all customers must purchase from the Transmission Provider.

In December 2005 Kentucky Utilities recorded accrued transmission revenue for anticipated revenue from Dynegy in the amount of \$4.6 million due to notification from the Midwest ISO. Also in December 2005 transmission expense for anticipated payments by Kentucky Utilities to Dynegy in the amount of \$4.5 million were recorded. In the 3rd quarter of 2006 the revenue and expense amounts were netted by the Midwest ISO and Kentucky Utilities did not receive the revenues nor pay the expense. Subsequently the accrued transmission revenue of \$4.6 recorded in December 2005 was reversed in July 2006.

In April 2006 FERC ordered the Midwest ISO to refund customers for amounts overcharged from the period of February 2002 thru January 2005. Kentucky Utilities as a power vendor through the Midwest ISO was required to repay \$5.3 million for overcharges the Company received in revenue during the same time period. This was recorded as a reduction to transmission revenue for the 2nd quarter 2006.

These two transactions caused the total amount of Ancillary services for all of 2006 to be a negative revenue total.

Schedule Page: 328 Line No.: 2 Column: d

Contract termination date was September 1, 2006

Schedule Page: 328 Line No.: 3 Column: d

Contract termination date was September 1, 2006

Schedule Page: 328 Line No.: 4 Column: d

Contract termination date is no earlier than December 31, 2010.

Schedule Page: 328 Line No.: 5 Column: m

Ancillary transmission services provided in a one-time transaction with this customer.

Schedule Page: 328 Line No.: 6 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Schedule Page: 328 Line No.: 6 Column: m

Ancillary transmission services.

Schedule Page: 328 Line No.: 7 Column: m

Ancillary transmission services.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4		
TRANSMISSION OF ELECTRICITY BY ISO/RTOs					
<p>1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).</p> <p>3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p> <p>4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.</p> <p>5. In column (d) report the revenue amounts as shown on bills or vouchers.</p> <p>6. Report in column (e) the total revenues distributed to the entity listed in column (a).</p>					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
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40	TOTAL				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4			
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			Total Cost of Transmission (\$) (h)
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	
1	Midwest Ind Tran Sy Op	FNS	1,536	1,533	-1,370,189	4,373		-1,365,816
2	Louisville Gas & Elect.	OS	46,444	46,444		513,678		513,678
3	East Kentucky Power Cor	LFP			782,610	706,432	-954	1,488,088
4	Tennessee Valley Auth	NF	117	117		540		540
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		48,097	48,094	-587,579	1,225,023	-954	636,490

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: e

Credit of (\$1,370,189) is due to Midwest Independant Transmission System Operator, Inc. resettlement of NS-1 charges.

Schedule Page: 332 Line No.: 2 Column: a

Louisville Gas & Electric Company and Kentucky Utilities Company are both owned by E.ON U.S. LLC.

Schedule Page: 332 Line No.: 3 Column: g

Out of period adjustment for (\$954)

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	262,630		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses	912,657		
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000			
6	Amortization of Regulatory Expenses	618,492		
7	Amort of Value Delivery Team Workforce Reductions	2,943,596		
8	Broker Fees	70,399		
9	Miscellaneous Debits and Credits	129,715		
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46	TOTAL	4,937,489		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			5,072,614		5,072,614
2	Steam Production Plant	41,076,769	296,297			41,373,066
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	150,532				150,532
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	16,543,343				16,543,343
7	Transmission Plant	15,059,822	180			15,060,002
8	Distribution Plant	31,365,451	182			31,365,633
9	Regional Transmission and Market Operation					
10	General Plant	5,443,178				5,443,178
11	Common Plant-Electric					
12	TOTAL	109,639,095	296,659	5,072,614		115,008,368
B. Basis for Amortization Charges						
Account	Rate	Plant Balance @ 12/31/2006	Amortization			
130200	0-5% (1)	83,453	1,390			
130300	20%	25,522,749	5,071,224			
Notes: (1) Amortization rates vary from 0 to 5%.						

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Steam Production Plant						
13	E.W. Brown Unit #1	51,669	32.90	-14.00	2.90	FORECAST	19.50
14	E.W. Brown Unit #2	42,710	33.00	-14.00	2.88	FORECAST	19.40
15	E.W. Brown Unit #3	129,275	33.40	-14.00	3.91	FORECAST	19.60
16	Ghent Unit #1	215,226	38.70	-9.00	3.12	FORECAST	21.40
17	Ghent Unit #2	147,868	38.60	-9.00	1.84	FORECAST	24.50
18	Ghent Unit #3	356,538	36.00	-9.00	2.22	FORECAST	28.70
19	Ghent Unit #4	354,089	33.60	-9.00	2.16	FORECAST	31.90
20	Ghent Unit #1 SDRS	115,071	18.50	-9.00	5.67	FORECAST	16.00
21	Green River Units #1&2	4,050	45.60	-15.00	1.71	FORECAST	18.20
22	Green River Unit #3	19,150	47.00	-15.00	1.94	FORECAST	18.40
23	Green River Unit #4	41,567	32.00	-15.00	3.10	FORECAST	19.30
24	System Lab	3,005	21.70		4.22	FORECAST	15.10
25	Tyrone Unit #3	22,897	44.40	-22.00	2.13	FORECAST	18.20
26							
27							
28	Hydraulic Production						
29	Dix Dam	9,946	60.90	-10.00	1.59	FORECAST	22.50
30							
31	Other Production						
32	E.W. Brown #5	20,940	29.00		3.43	FORECAST	28.50
33	E.W. Brown #6	35,855	29.00		3.39	FORECAST	28.50
34	E.W. Brown #7	35,798	30.00		3.28	FORECAST	29.50
35	E.W. Brown #8	29,088	26.40		3.51	FORECAST	24.50
36	E.W. Brown #9	37,584	26.80		3.39	FORECAST	24.50
37	E.W. Brown #10	28,591	26.50		3.48	FORECAST	24.50
38	E.W. Brown #11	42,805	26.80		3.55	FORECAST	25.50
39	Paddy's Run #13	30,057	29.00		3.43	FORECAST	28.50
40	Trimble County #5	39,966	29.00		3.43	FORECAST	28.50
41	Trimble County #6	39,703	29.00		3.43	FORECAST	28.50
42	Trimble County #7	33,016	29.00		3.43	FORECAST	28.50
43	Trimble County #8	32,777	29.00		3.43	FORECAST	28.50
44	Trimble County #9	32,850	29.00		3.43	FORECAST	28.50
45	Trimble County #10	32,817	29.00		3.43	FORECAST	28.50
46							
47							
48							
49	Transmission Plant						
50	350.1	23,341	75.00		1.34	SQ	48.80

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	352.0	8,147	55.00	-45.00	2.65	R4.0	37.40
13	353.1	173,142	50.00	-10.00	2.21	R4.0	31.80
14	353.2	14,749	18.00	-10.00	6.18	R4.0	8.50
15	354.0	63,308	55.00	-55.00	2.84	R4.0	35.00
16	355.0	91,303	40.00	-60.00	4.03	R3.0	25.40
17	356.0	129,756	45.00	-45.00	3.25	R3.0	26.30
18	357.0	449	55.00	-10.00	2.01	R3.0	46.80
19	358.0	1,115	30.00	-5.00	3.52	R2.0	18.40
20							
21	Distribution Plant						
22	360.1	1,496	75.00		101.40	SQ	47.10
23	361.0	4,458	53.00	-10.00	408.90	R2.5	38.30
24	362.0	100,793	45.00	-10.00	202.40	S1.5	33.50
25	364.0	193,793	38.00	-45.00	305.20	S0.0	28.40
26	365.0	180,862	44.00	-45.00	3.02	R1.5	32.60
27	366.0	1,728	55.00	-10.00	107.50	R3.0	36.10
28	367.0	70,302	32.00	-10.00	3.29	R1.0	27.40
29	368.0	238,783	42.00	-10.00	2.41	S0.5	31.40
30	369.0	83,112	36.00	-45.00	3.75	R1.0	28.10
31	370.0	64,856	35.00	-10.00	2.79	R1.0	24.00
32	371.0	18,276	15.00		6.27	L0.0	11.80
33	373.0	53,640	26.00	-10.00	3.85	R1.0	19.10
34							
35							
36	General Plant						
37	390.1	31,569	50.00		1.76	S1.0	38.40
38	391.1	6,647	15.00		5.82	L0.0	11.20
39	393.0	739	24.00	5.00	2.87	L3.0	14.00
40	394.0	5,334	30.00	5.00	2.74	R2.5	22.20
41	395.0	3,202	27.00	2.00	3.16	L1.5	20.70
42	396.0	271	16.00	20.00	3.56	R3.0	9.20
43	397.0	16,152	18.00		3.55	R3.0	9.30
44	398.0	395	15.00		5.19	S0.5	9.60
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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	None				
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3					
4					
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46	TOTAL				

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
							1
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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

- (1) Generation
 - a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
 - b. Fossil-fuel steam
 - c. Internal combustion or gas turbine
 - d. Nuclear
 - e. Unconventional generation
 - f. Siting and heat rejection
- (2) Transmission

- a. Overhead
- b. Underground
- (3) Distribution
- (4) Regional Transmission and Market Operation
- (5) Environment (other than equipment)
- (6) Other (Classify and include items in excess of \$5,000.)
- (7) Total Cost Incurred
- B. Electric, R, D & D Performed Externally:
 - (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	EPRI B(4)	2006 Participation
2		
3	Edison Electric Institute B(2)	Year 2006 Utility Air Regulatory Group fees
4		
5		
6	Total Cost	
7		
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Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
 - (3) Research Support to Nuclear Power Groups
 - (4) Research Support to Others (Classify)
 - (5) Total Cost Incurred
3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
	783,989	930	783,989		1
					2
	99,930	930	99,930		3
					4
					5
	883,919		883,919		6
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
DISTRIBUTION OF SALARIES AND WAGES					
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
1	Electric				
2	Operation				
3	Production	11,908,685			
4	Transmission	338,946			
5	Regional Market				
6	Distribution	5,635,254			
7	Customer Accounts	4,588,293			
8	Customer Service and Informational	202			
9	Sales				
10	Administrative and General	61,148			
11	TOTAL Operation (Enter Total of lines 3 thru 10)	22,532,528			
12	Maintenance				
13	Production	9,434,836			
14	Transmission	399,043			
15	Regional Market				
16	Distribution	4,874,507			
17	Administrative and General	182,344			
18	TOTAL Maintenance (Total of lines 13 thru 17)	14,890,730			
19	Total Operation and Maintenance				
20	Production (Enter Total of lines 3 and 13)	21,343,521			
21	Transmission (Enter Total of lines 4 and 14)	737,989			
22	Regional Market (Enter Total of Lines 5 and 15)				
23	Distribution (Enter Total of lines 6 and 16)	10,509,761			
24	Customer Accounts (Transcribe from line 7)	4,588,293			
25	Customer Service and Informational (Transcribe from line 8)	202			
26	Sales (Transcribe from line 9)				
27	Administrative and General (Enter Total of lines 10 and 17)	243,492			
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	37,423,258	9,414,435		46,837,693
29	Gas				
30	Operation				
31	Production-Manufactured Gas				
32	Production-Nat. Gas (Including Expl. and Dev.)				
33	Other Gas Supply				
34	Storage, LNG Terminaling and Processing				
35	Transmission				
36	Distribution				
37	Customer Accounts				
38	Customer Service and Informational				
39	Sales				
40	Administrative and General				
41	TOTAL Operation (Enter Total of lines 31 thru 40)				
42	Maintenance				
43	Production-Manufactured Gas				
44	Production-Natural Gas (Including Exploration and Development)				
45	Other Gas Supply				
46	Storage, LNG Terminaling and Processing				
47	Transmission				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Distribution				
49	Administrative and General				
50	TOTAL Maint. (Enter Total of lines 43 thru 49)				
51	Total Operation and Maintenance				
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)				
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,				
54	Other Gas Supply (Enter Total of lines 33 and 45)				
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru				
56	Transmission (Lines 35 and 47)				
57	Distribution (Lines 36 and 48)				
58	Customer Accounts (Line 37)				
59	Customer Service and Informational (Line 38)				
60	Sales (Line 39)				
61	Administrative and General (Lines 40 and 49)				
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)				
63	Other Utility Departments				
64	Operation and Maintenance				
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	37,423,258	9,414,435	46,837,693	
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	11,147,334	7,034,786	18,182,120	
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	11,147,334	7,034,786	18,182,120	
72	Plant Removal (By Utility Departments)				
73	Electric Plant	700,390	303,641	1,004,031	
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	700,390	303,641	1,004,031	
77	Other Accounts (Specify, provide details in footnote):				
78	Accounts Receivable (work done for others)	801,991	194,416	996,407	
79	Certain Civic, Political and Related Activities and Other	66,722	13,361	80,083	
80					
81					
82					
83					
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93					
94					
95	TOTAL Other Accounts	868,713	207,777	1,076,490	
96	TOTAL SALARIES AND WAGES	50,139,695	16,960,639	67,100,334	

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
COMMON UTILITY PLANT AND EXPENSES			
<p>1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.</p> <p>2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.</p> <p>3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.</p> <p>4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.</p>			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of <u>2006/Q4</u>
AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS					
1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.					
Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)		16,872,940	30,850,142	30,887,796
3	Net Sales (Account 447)		4,178,293	6,744,522	8,989,975
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
8					
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45					
46	TOTAL		21,051,233	37,594,664	39,877,771

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 397 Line No.: 2 Column: e

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the purchase amount recorded in accordance with FERC Order No. 668-A would have been \$33,089,287.

Schedule Page: 397 Line No.: 3 Column: e

The amount reflects transactions recorded in accordance with Kentucky Utilities Company's Power Supply System Agreement with Louisville Gas and Electric Company, as approved by the Kentucky Public Service Commission in October 1997, in which purchases and sales are calculated based on joint dispatch of the Companies' units. Such calculations do not distinguish between purchases and sales made in the Day Ahead and Real Time markets. Absent such a Power Supply System Agreement, the sale amount recorded in accordance with FERC Order No. 668-A would have been \$9,137,662.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4				
PURCHASES AND SALES OF ANCILLARY SERVICES							
Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.							
In columns for usage, report usage-related billing determinant and the unit of measure.							
(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.							
(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.							
(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.							
(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.							
(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.							
(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.							
		Amount Purchased for the Year		Amount Sold for the Year			
		Usage - Related Billing Determinant		Usage - Related Billing Determinant			
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch			2,950			-5,230,530
2	Reactive Supply and Voltage			3,799,230			-1,525,819
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)			3,802,180			-6,756,349

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 398 Line No.: 1 Column: g

Ancillary Services Schedule 1 total composed of:

Midwest ISO	\$ (5,245,563.44) *
Louisville Gas and Electric	7,222.91
Cargill Power Markets LLC	253.05
East Kentucky Power Coop.	7,557.17

	\$ (5,230,530.31)

*Note: In April 2006, FERC ordered the Midwest ISO to refund customers for amounts overcharged during the period of February 2002 through January 2005. Kentucky Utilities, as a power vendor through Midwest ISO, was required to repay \$5.3 million for overcharges the company received in transmission revenue during this time period. This repayment was recorded as a reduction in Schedule 1 transmission revenue for April 2006, causing the total Schedule 1 Ancillary Services revenue for 2006 to be negative.

Schedule Page: 398 Line No.: 2 Column: g

Ancillary Services Schedule 2 total composed of:

Midwest ISO	\$ (1,796,911.22) *
Louisville Gas and Electric	150,592.25
Cargill Power Markets LLC	3,904.24
East Kentucky Power Coop.	116,596.32

	\$ (1,525,818.41)

*Note: In December 2005, Kentucky Utilities recorded accrued Schedule 2 revenue for anticipated revenue from Dynegy in the amount of \$4.6 million due to notification from the Midwest ISO. Also in December 2005 transmission expense for anticipated payments by Kentucky Utilities to Dynegy in the amount of \$4.5 million were recorded. In the 3rd quarter of 2006 the revenue and expense amounts were netted by the Midwest ISO and Kentucky Utilities did not receive the revenues nor pay the expense. Subsequently the accrued Schedule 2 revenue of \$4.6 million recorded in December 2005 was reversed in July 2006, causing the total amount of Schedule 2 revenue for the year to be a negative amount.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
 (2) Report on Column (b) by month the transmission system's peak load.
 (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
 (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: KU

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	3,746	26	800	3,512	234				
2	February	3,846	6	800	3,631	215				
3	March	3,544	21	2000	3,297	247				
4	Total for Quarter 1	11,136			10,440	696				
5	April	2,896	14	1700	2,663	233				
6	May	3,885	3	1500	3,676	209				
7	June	4,138	32	1500	3,917	221				
8	Total for Quarter 2	10,919			10,256	663				
9	July	4,268	31	1700	4,005	263				
10	August	4,511	2	1500	4,179	332				
11	September	3,325	8	1600	3,104	221				
12	Total for Quarter 3	12,104			11,288	816				
13	October	3,440	4	1600	3,202	238				
14	November	3,654	21	800	3,442	212				
15	December	4,412	8	800	4,172	240				
16	Total for Quarter 4	11,506			10,816	690				
17	Total Year to Date/Year	45,665			42,800	2,865				

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
 (2) Report on Column (b) by month the transmission system's peak load.
 (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
 (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
 (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	18,696,573
3	Steam	16,566,701	23	Requirements Sales for Resale (See instruction 4, page 311.)	1,978,231
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	2,473,351
5	Hydro-Conventional	47,026	25	Energy Furnished Without Charge	53
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	15,856
7	Other	473,811	27	Total Energy Losses	1,339,271
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	24,503,335
9	Net Generation (Enter Total of lines 3 through 8)	17,087,538			
10	Purchases	7,411,540			
11	Power Exchanges:				
12	Received	12,111			
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)	12,111			
15	Transmission For Other (Wheeling)				
16	Received	1,939,659			
17	Delivered	1,947,513			
18	Net Transmission for Other (Line 16 minus line 17)	-7,854			
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	24,503,335			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
MONTHLY PEAKS AND OUTPUT						
<p>(1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on line 2 by month the system's output in Megawatt hours for each month.</p> <p>(3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>(4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>(5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.</p>						
NAME OF SYSTEM: KU						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	2,287,077	366,317	3,512	26	08:00 AM
30	February	2,026,349	146,456	3,631	6	08:00 AM
31	March	1,929,214	87,477	3,415	22	08:00 AM
32	April	1,673,459	108,267	2,867	10	07:00 AM
33	May	1,930,229	236,266	3,688	31	02:00 PM
34	June	1,991,734	146,828	3,919	22	02:00 PM
35	July	2,236,660	168,979	4,033	31	06:00 PM
36	August	2,283,142	94,727	4,207	2	02:00 PM
37	September	1,836,460	194,427	3,109	8	03:00 PM
38	October	1,956,482	234,629	3,208	25	07:00 AM
39	November	2,232,514	484,977	3,442	21	08:00AM
40	December	2,120,015	204,001	4,172	8	08:00 AM
41	TOTAL	24,503,335	2,473,351			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.							
Line No.	Item (a)	Plant Name: <i>TYRONE</i> (b)	Plant Name: <i>GREEN RIVER</i> (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	STEAM		STEAM			
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL		CONVENTIONAL			
3	Year Originally Constructed	1947		1950			
4	Year Last Unit was Installed	1971		1959			
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	138.00		189.00			
6	Net Peak Demand on Plant - MW (60 minutes)	79		187			
7	Plant Hours Connected to Load	5216		5530			
8	Net Continuous Plant Capability (Megawatts)	0		0			
9	When Not Limited by Condenser Water	129		212			
10	When Limited by Condenser Water	0		0			
11	Average Number of Employees	25		58			
12	Net Generation, Exclusive of Plant Use - KWh	251437000		639711000			
13	Cost of Plant: Land and Land Rights	53142		31036			
14	Structures and Improvements	6041432		9890714			
15	Equipment Costs	23322513		53802310			
16	Asset Retirement Costs	246752		1074377			
17	Total Cost	29663839		64798437			
18	Cost per KW of Installed Capacity (line 17/5) Including	214.9554		342.8489			
19	Production Expenses: Oper, Supv, & Engr	642070		268863			
20	Fuel	9525068		14557100			
21	Coolants and Water (Nuclear Plants Only)	0		0			
22	Steam Expenses	567342		1308231			
23	Steam From Other Sources	0		0			
24	Steam Transferred (Cr)	0		0			
25	Electric Expenses	285704		1053932			
26	Misc Steam (or Nuclear) Power Expenses	377267		853383			
27	Rents	0		0			
28	Allowances	56978		406858			
29	Maintenance Supervision and Engineering	217661		851441			
30	Maintenance of Structures	208453		407819			
31	Maintenance of Boiler (or reactor) Plant	674177		2024826			
32	Maintenance of Electric Plant	341119		400796			
33	Maintenance of Misc Steam (or Nuclear) Plant	177148		66040			
34	Total Production Expenses	13072987		22199289			
35	Expenses per Net KWh	0.0520		0.0347			
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal		Coal			
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons		Tons			
38	Quantity (Units) of Fuel Burned	0	131112	0	0	326567	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	12452	0	0	11561	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	72.470	0.000	0.000	41.628	0.000
41	Average Cost of Fuel per Unit Burned	0.000	67.717	0.000	0.000	41.593	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	2.895	0.000	0.000	1.923	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.035	0.000	0.000	0.021	0.000
44	Average BTU per KWh Net Generation	0.000	13084.000	0.000	0.000	11836.000	0.000

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)							
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.							
Line No.	Item (a)	Plant Name: <i>BROWN CT</i> (b)	Plant Name: <i>PADDY'S RUN 13 CT</i> (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	COMBUSTION TURBINE	COMBUSTION TURBINE				
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL	CONVENTIONAL				
3	Year Originally Constructed	1994	2001				
4	Year Last Unit was Installed	2001	2001				
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	782.00	84.00				
6	Net Peak Demand on Plant - MW (60 minutes)	0	0				
7	Plant Hours Connected to Load	499	245				
8	Net Continuous Plant Capability (Megawatts)	0	0				
9	When Not Limited by Condenser Water	773	74				
10	When Limited by Condenser Water	0	0				
11	Average Number of Employees	0	0				
12	Net Generation, Exclusive of Plant Use - KWh	243662000	42071000				
13	Cost of Plant: Land and Land Rights	275012	0				
14	Structures and Improvements	11891044	1910328				
15	Equipment Costs	226804811	28146755				
16	Asset Retirement Costs	70990	0				
17	Total Cost	239041857	30057083				
18	Cost per KW of Installed Capacity (line 17/5) Including	305.6801	357.8224				
19	Production Expenses: Oper, Supv, & Engr	161414	0				
20	Fuel	24098760	3516540				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	0	0				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	2451	0				
26	Misc Steam (or Nuclear) Power Expenses	90326	3125				
27	Rents	0	0				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	30947	0				
30	Maintenance of Structures	142707	0				
31	Maintenance of Boiler (or reactor) Plant	0	0				
32	Maintenance of Electric Plant	2869307	126848				
33	Maintenance of Misc Steam (or Nuclear) Plant	124990	0				
34	Total Production Expenses	27520902	3646513				
35	Expenses per Net KWh	0.1129	0.0867				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas		Oil		Gas	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MCF		Barrels		MCF	
38	Quantity (Units) of Fuel Burned	3056618	0	12131	0	440012	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1026	0	139999	0	1025	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	7.671	0.000	53.772	0.000	7.992	0.000
41	Average Cost of Fuel per Unit Burned	7.671	0.000	53.772	0.000	7.992	0.000
42	Average Cost of Fuel Burned per Million BTU	7.475	0.000	9.145	0.000	7.797	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.098	0.000	0.120	0.000	0.084	0.000
44	Average BTU per KWh Net Generation	13165.000	0.000	13168.000	0.000	10720.000	0.000

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)						
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.						
Line No.	Item (a)	Plant Name: (b)	Plant Name: (c)			
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)					
2	Type of Constr (Conventional, Outdoor, Boiler, etc)					
3	Year Originally Constructed					
4	Year Last Unit was Installed					
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		0.00			0.00
6	Net Peak Demand on Plant - MW (60 minutes)		0			0
7	Plant Hours Connected to Load		0			0
8	Net Continuous Plant Capability (Megawatts)		0			0
9	When Not Limited by Condenser Water		0			0
10	When Limited by Condenser Water		0			0
11	Average Number of Employees		0			0
12	Net Generation, Exclusive of Plant Use - KWh		0			0
13	Cost of Plant: Land and Land Rights		0			0
14	Structures and Improvements		0			0
15	Equipment Costs		0			0
16	Asset Retirement Costs		0			0
17	Total Cost		0			0
18	Cost per KW of Installed Capacity (line 17/5) Including		0.0000			0.0000
19	Production Expenses: Oper, Supv, & Engr		0			0
20	Fuel		0			0
21	Coolants and Water (Nuclear Plants Only)		0			0
22	Steam Expenses		0			0
23	Steam From Other Sources		0			0
24	Steam Transferred (Cr)		0			0
25	Electric Expenses		0			0
26	Misc Steam (or Nuclear) Power Expenses		0			0
27	Rents		0			0
28	Allowances		0			0
29	Maintenance Supervision and Engineering		0			0
30	Maintenance of Structures		0			0
31	Maintenance of Boiler (or reactor) Plant		0			0
32	Maintenance of Electric Plant		0			0
33	Maintenance of Misc Steam (or Nuclear) Plant		0			0
34	Total Production Expenses		0			0
35	Expenses per Net KWh		0.0000			0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)					
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)					
38	Quantity (Units) of Fuel Burned	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	0.000	0.000

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4	
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)							
9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.							
Plant Name: <i>EW BROWN</i> (d)		Plant Name: <i>GHENT</i> (e)		Plant Name: <i>HAEFLING</i> (f)		Line No.	
STEAM		STEAM		COMBUSTION TURBINE		1	
CONVENTIONAL		CONVENTIONAL		FULL OUTDOOR		2	
1957		1973		1970		3	
1971		1984		1970		4	
740.00		2226.00		62.00		5	
705		1822		0		6	
7513		7945		45		7	
0		0		0		8	
701		1966		36		9	
0		0		0		10	
131		195		0		11	
3467830000		12207723000		-123000		12	
680022		9666721		0		13	
18303986		124379654		434853		14	
202096253		1070413709		4861147		15	
3779385		4126593		0		16	
224859646		1208586677		5296000		17	
303.8644		542.9410		85.4194		18	
1054736		1678201		0		19	
81777408		271813580		117948		20	
0		0		0		21	
1960719		4947358		0		22	
0		0		0		23	
0		0		0		24	
1358885		2790651		0		25	
2065124		4155949		6038		26	
0		0		0		27	
1260185		1351860		0		28	
1302215		2221080		0		29	
1140760		2778457		0		30	
5764595		11916610		0		31	
1727872		2938107		107958		32	
192050		716087		0		33	
99604549		307307940		231944		34	
0.0287		0.0252		-1.8857		35	
Coal		Coal		Gas		Oil	
Tons		Tons		MCF		Barrels	
0		0		7820		0	
12394		11591		1025		0	
0.000		0.000		15.083		0.000	
56.132		55.697		15.083		0.000	
0.000		0.000		14.714		0.000	
53.904		47.277		0.000		0.000	
0.000		0.000		2.076		0.000	
2.233		0.022		0.000		0.000	
0.000		0.000		-0.959		0.000	
0.000		0.000		0.000		0.000	
10562.000		10726.000		-65171.000		0.000	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4				
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)									
9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.									
Plant Name: TRIMBLE COUNTY CT (d)		Plant Name: (e)			Plant Name: (f)			Line No.	
COMBUSTION TURBINE								1	
CONVENTIONAL								2	
2002								3	
2004								4	
782.00		0.00			0.00			5	
0		0			0			6	
407		0			0			7	
0		0			0			8	
220		0			0			9	
0		0			0			10	
0		0			0			11	
188201000		0			0			12	
19912		0			0			13	
21745929		0			0			14	
194233865		0			0			15	
0		0			0			16	
215999706		0			0			17	
276.2145		0.0000			0.0000			18	
0		0			0			19	
17586740		0			0			20	
0		0			0			21	
0		0			0			22	
0		0			0			23	
0		0			0			24	
557121		0			0			25	
18448		0			0			26	
0		0			0			27	
0		0			0			28	
0		0			0			29	
0		0			0			30	
0		0			0			31	
-13924		0			0			32	
0		0			0			33	
18148385		0			0			34	
0.0964		0.0000			0.0000			35	
Gas								36	
MCF								37	
0		2179805			0			38	
0		1025			0			39	
0.000		8.068			0.000			40	
0.000		8.068			0.000			41	
0.000		7.871			0.000			42	
0.000		0.093			0.000			43	
0.000		11872.000			0.000			44	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007		Year/Period of Report End of 2006/Q4			
STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)									
<p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p>									
Plant Name:	(d)	Plant Name:	(e)	Plant Name:	(f)	Line No.			
						1			
						2			
						3			
						4			
	0.00		0.00			0.00	5		
	0		0			0	6		
	0		0			0	7		
	0		0			0	8		
	0		0			0	9		
	0		0			0	10		
	0		0			0	11		
	0		0			0	12		
	0		0			0	13		
	0		0			0	14		
	0		0			0	15		
	0		0			0	16		
	0		0			0	17		
	0.0000		0.0000			0.0000	18		
	0		0			0	19		
	0		0			0	20		
	0		0			0	21		
	0		0			0	22		
	0		0			0	23		
	0		0			0	24		
	0		0			0	25		
	0		0			0	26		
	0		0			0	27		
	0		0			0	28		
	0		0			0	29		
	0		0			0	30		
	0		0			0	31		
	0		0			0	32		
	0		0			0	33		
	0		0			0	34		
	0.0000		0.0000			0.0000	35		
							36		
							37		
0	0	0	0	0	0	0	0	38	
0	0	0	0	0	0	0	0	39	
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 1 Column: f

Changed to "Combustion Turbine" from "Gas Turbine" for 2006 Form 1 filing, per Bud Carter.

Schedule Page: 402 Line No.: 17 Column: b

Pineville Generating Station is fully retired. However, land and ashpond equipment amounting to \$296,508, remain on the books.

Schedule Page: 402.1 Line No.: 1 Column: b

Changed to "Combustion Turbine" from "Gas Turbine" for 2006 Form 1 filing, per Bud Carter.

Schedule Page: 402.1 Line No.: 1 Column: c

Changed to "Combustion Turbine" from "Gas Turbine" for 2006 Form 1 filing, per Bud Carter

Schedule Page: 402.1 Line No.: 1 Column: d

Changed to "Combustion Turbine" from "Gas Turbine" for 2006 Form 1 filing, per Bud Carter.

Schedule Page: 402.1 Line No.: 5 Column: b

The figure for the Name Plate Rating for Brown CT represents a 47% ownership of unit #5 a 123 MW unit and 62% ownership of units #6 and #7 each being a 170 MW unit.

Schedule Page: 402.1 Line No.: 5 Column: c

The figure for the Name Plate Rating for Paddy's Run 13 CT represents 47% ownership for Kentucky Utilities Company. Total Name Plate Rating for the unit is 178 MW.

Schedule Page: 402.1 Line No.: 5 Column: d

The figure for the Name Plate Rating for Trimble County CT represents 71% ownership of Units #5 and #6 and 63% of Units #7, #8, #9 and #10 with a Name Plate Rating of 199 MW per unit.

Schedule Page: 402.1 Line No.: 11 Column: b

Employees at the Brown Plant include those assigned to the steam plant and the Brown CT site.

Schedule Page: 402.1 Line No.: 11 Column: c

There are no production employees at Paddy's Run assigned just to the CT's.

Schedule Page: 402.1 Line No.: 11 Column: d

There are no production/operation employees at Trimble County assigned solely to the CT portion of the plant.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)					
<p>1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give that which is available specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.</p>					
Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: DIX DAM (b)	FERC Licensed Project No. 0 Plant Name: (c)		
1	Kind of Plant (Run-of-River or Storage)		STORAGE		
2	Plant Construction type (Conventional or Outdoor)		CONVENTIONAL		
3	Year Originally Constructed		1923		
4	Year Last Unit was Installed		1924		
5	Total installed cap (Gen name plate Rating in MW)		28.00		0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)		0		0
7	Plant Hours Connect to Load		0		0
8	Net Plant Capability (in megawatts)				
9	(a) Under Most Favorable Oper Conditions		24		0
10	(b) Under the Most Adverse Oper Conditions		0		0
11	Average Number of Employees		20		0
12	Net Generation, Exclusive of Plant Use - Kwh		0		0
13	Cost of Plant				
14	Land and Land Rights		879,312		0
15	Structures and Improvements		453,196		0
16	Reservoirs, Dams, and Waterways		7,954,452		0
17	Equipment Costs		607,431		0
18	Roads, Railroads, and Bridges		46,976		0
19	Asset Retirement Costs		4,970		0
20	TOTAL cost (Total of 14 thru 19)		9,946,337		0
21	Cost per KW of Installed Capacity (line 20 / 5)		355.2263		0.0000
22	Production Expenses				
23	Operation Supervision and Engineering		0		0
24	Water for Power		0		0
25	Hydraulic Expenses		0		0
26	Electric Expenses		0		0
27	Misc Hydraulic Power Generation Expenses		0		0
28	Rents		0		0
29	Maintenance Supervision and Engineering		0		0
30	Maintenance of Structures		0		0
31	Maintenance of Reservoirs, Dams, and Waterways		0		0
32	Maintenance of Electric Plant		0		0
33	Maintenance of Misc Hydraulic Plant		0		0
34	Total Production Expenses (total 23 thru 33)		0		0
35	Expenses per net KWh		0.0000		0.0000

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)					
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."					
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.					
FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.		
			1		
			2		
			3		
			4		
0.00	0.00	0.00	5		
0	0	0	6		
0	0	0	7		
			8		
0	0	0	9		
0	0	0	10		
0	0	0	11		
0	0	0	12		
			13		
0	0	0	14		
0	0	0	15		
0	0	0	16		
0	0	0	17		
0	0	0	18		
0	0	0	19		
0	0	0	20		
0.0000	0.0000	0.0000	21		
			22		
0	0	0	23		
0	0	0	24		
0	0	0	25		
0	0	0	26		
0	0	0	27		
0	0	0	28		
0	0	0	29		
0	0	0	30		
0	0	0	31		
0	0	0	32		
0	0	0	33		
0	0	0	34		
0.0000	0.0000	0.0000	35		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)				
<p>1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.</p> <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p>				
Line No.	Item (a)	FERC Licensed Project No. Plant Name:		0 (b)
1	Type of Plant Construction (Conventional or Outdoor)			None
2	Year Originally Constructed			
3	Year Last Unit was Installed			
4	Total installed cap (Gen name plate Rating in MW)			
5	Net Peak Demand on Plant-Megawatts (60 minutes)			
6	Plant Hours Connect to Load While Generating			
7	Net Plant Capability (in megawatts)			
8	Average Number of Employees			
9	Generation, Exclusive of Plant Use - Kwh			
10	Energy Used for Pumping			
11	Net Output for Load (line 9 - line 10) - Kwh			
12	Cost of Plant			
13	Land and Land Rights			
14	Structures and Improvements			
15	Reservoirs, Dams, and Waterways			
16	Water Wheels, Turbines, and Generators			
17	Accessory Electric Equipment			
18	Miscellaneous Powerplant Equipment			
19	Roads, Railroads, and Bridges			
20	Asset Retirement Costs			
21	Total cost (total 13 thru 20)			
22	Cost per KW of installed cap (line 21 / 4)			
23	Production Expenses			
24	Operation Supervision and Engineering			
25	Water for Power			
26	Pumped Storage Expenses			
27	Electric Expenses			
28	Misc Pumped Storage Power generation Expenses			
29	Rents			
30	Maintenance Supervision and Engineering			
31	Maintenance of Structures			
32	Maintenance of Reservoirs, Dams, and Waterways			
33	Maintenance of Electric Plant			
34	Maintenance of Misc Pumped Storage Plant			
35	Production Exp Before Pumping Exp (24 thru 34)			
36	Pumping Expenses			
37	Total Production Exp (total 35 and 36)			
38	Expenses per KWh (line 37 / 9)			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)					
<p>6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.</p> <p>7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.</p>					
FERC Licensed Project No. Plant Name:	0 (c)	FERC Licensed Project No. Plant Name:	0 (d)	FERC Licensed Project No. Plant Name:	0 (e) Line No.
					1
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
GENERATING PLANT STATISTICS (Small Plants)						
1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.						
Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
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13						
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
GENERATING PLANT STATISTICS (Small Plants) (Continued)						
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.						
Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4			
TRANSMISSION LINE STATISTICS								
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>								
Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Pocket	Pineville	500.00	500.00	ST	35.48		
2	Pocket	Phipps Bend	500.00	500.00	ST	21.39		
3								
4	Ghent Plant	Brown North	345.00	345.00	ST	113.87		
5	Ghent Plant	Batesville	345.00	345.00	ST	7.32		
6	Brown Plant	Elmer Smith	345.00	345.00	HF & ST	135.31		
7	Brown North	K.U. Park	345.00	345.00	ST	102.47		2
8								
9	Green River	AEC Buss	161.00	161.00	HF, ST & WP	181.29		
10	Green River	Morganfield	161.00	161.00	HF & WP	55.38		
11	Elihu	Dorchester	161.00	161.00	HF & ST	86.06		
12	Lake Reba	Dorchester	161.00	161.00	HF & ST	99.15		1
13	Pineville	Harlan	161.00	161.00	HF & WP	48.34		
14	Pineville 149	Pineville 192	161.00	161.00	HF	0.12		1
15	East Ky. Power	Taylor County	161.00	161.00	SP	3.97		1
16	Imboden	Harlan	161.00	161.00	HF, SP, WP &	43.82		
17								
18	Ghent Plant	Brown Plant	138.00	138.00	ST	90.47		
19	Brown Plant	Green River	138.00	138.00	HF, SP & ST	169.18		
20	Kenton	Rodburn	138.00	138.00	HF	45.74		1
21	Green River	Brown North	138.00	138.00	HF & ST	166.58		
22	Fawkes	Rodburn	138.00	138.00	HF, ST & WP	64.52		1
23	Clifty Creek	Carrollton	138.00	138.00	HF, SP, ST &	144.62		
24	Brown Plant	Lake Reba	138.00	138.00	HF	28.60		1
25	Brown Plant	Haefling	138.00	138.00	HF, SP, ST &	29.32		
26	Ghent Plant	Kenton Station	138.00	138.00	HF & WF	72.78		1
27	Ghent Plant	Adams	138.00	138.00	HF, SP & ST	56.77		
28	Hardin County	Rogersville	138.00	138.00	HF	10.24		1
29								
30	69KV Lines		69.00	69.00	Various	2,218.18		
31								
32								
33								
34	Exp Applicable to All Lines							
35								
36					TOTAL	4,030.97		10

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
954mcm	1,385,561	15,452,581	16,838,142					1
954mcm	280,371	7,945,173	8,225,544					2
								3
795mcm	2,495,681	16,982,353	19,478,034					4
954mcm	437,159	4,810,707	5,247,866					5
954mcm	1,615,764	17,173,625	18,789,389					6
954mcm	1,111,580	21,486,959	22,598,539					7
								8
556mcm	1,284,447	10,672,419	11,956,866					9
556mcm	268,660	1,492,717	1,761,377					10
556mcm	270,147	3,951,723	4,221,870					11
556mcm	559,988	3,795,802	4,355,790					12
795mcm	300,849	5,777,756	6,078,605					13
954mcm		14,306	14,306					14
556mcm	261,988	307,188	569,176					15
795mcm	84,143	3,828,920	3,913,063					16
								17
954mcm	419,701	5,830,853	6,250,554					18
556mcm	381,153	6,410,973	6,792,126					19
397mcm	98,119	1,274,222	1,372,341					20
795mcm	732,412	7,438,847	8,171,259					21
556mcm	579,168	2,055,035	2,634,203					22
795mcm	824,816	7,869,615	8,694,431					23
556mcm	80,240	923,314	1,003,554					24
795mcm	191,989	4,265,210	4,457,199					25
795mcm	446,858	3,426,641	3,873,499					26
795mcm	245,501	5,163,544	5,409,045					27
795mcm	245,093	919,472	1,164,565					28
								29
Various	8,202,312	118,751,732	126,954,044					30
								31
								32
								33
				351,588	66,325	3,230,365	3,648,278	34
								35
	22,803,700	278,021,687	300,825,387	351,588	66,325	3,230,365	3,648,278	36

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 422 Line No.: 1 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 2 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 4 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 5 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 6 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 9 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 10 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 11 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 13 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 16 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 18 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 19 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 21 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 23 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 25 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 27 Column: h
Contains both single and double circuitry.
Schedule Page: 422 Line No.: 30 Column: h
Contains both single and double circuitry.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
 2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1							
2	None						
3							
4							
5							
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43							
44	TOTAL						

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST				Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire, Costs (o)	
								1
								2
								3
								4
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Adams - Georgetown	Transmission *	138.00	69.00	13.20
2	Alcade - Somerset	Transmission *	345.00	161.00	13.20
3	American Ave. - Lexington	Transmission *	138.00	69.00	13.20
4	Arnold - Cumberland	Transmission *	161.00	69.00	13.20
5	Artemus - Pineville	Transmission *	161.00	69.00	13.20
6	Bardstown- Campsville	Transmission *	138.00	69.00	13.20
7	Beattyville - Richmond	Transmission *	161.00	69.00	13.20
8	Bonnieville - Horse Cave	Transmission *	138.00	69.00	13.20
9	Boonesboro North - Winchester	Transmission *	138.00	69.00	13.20
10	Brown CT 7 - Harrodsburg	Transmission (G)	145.00	18.00	
11	Brown CT 6 - Harrodsburg	Transmission (G)	145.00	13.80	
12	Brown North - Harrodsburg	Transmission *	345.00	138.00	13.20
13	Brown North - Harrodsburg	Transmission *	144.00	24.00	
14	Brown Plant - Harrodsburg	Transmission (G)	138.00	13.20	
15	Brown Plant - Harrodsburg	Transmission (G)	138.00	17.10	
16	Carn town - Augusta	Transmission *	138.00	69.00	13.20
17	Carrollton - Carrollton	Transmission *	138.00	69.00	13.20
18	Clark County - Winchester	Transmission *	138.00	69.00	13.20
19	Corydon - Henderson	Transmission *	161.00	69.00	13.20
20	Crittendon County - Marion	Transmission *	161.00	69.00	13.20
21	Danville North - Danville	Transmission *	138.00	69.00	13.20
22	Dix Dam Plant - Harrodsburg	Transmission (G)	69.00	13.20	
23	Dorchester - Norton	Transmission *	161.00	69.00	13.20
24	Earlington North - Earlington	Transmission *	161.00	69.00	13.20
25	East Frankfort - Frankfort	Transmission *	138.00	69.00	13.20
26	Elihu - Somerset	Transmission *	161.00	69.00	13.20
27	Elizabethtown - Elizabethtown	Transmission *	138.00	69.00	13.20
28	Farley - Corbin	Transmission *	161.00	69.00	13.20
29	Farmers - Morehead	Transmission *	80.00	40.00	13.20
30	Fawkes - Richmond	Transmission *	138.00	69.00	13.20
31	Ghent Plant - Carrollton	Transmission *	345.00	138.00	
32	Ghent Plant - Carrollton	Transmission *	345.00	138.00	25.00
33	Ghent Plant - Carrollton	Transmission (G)	144.00	18.00	
34	Ghent Plant - Carrollton	Transmission (G)	345.00	21.00	
35	Ghent Plant - Carrollton	Transmission (G)	362.00	22.00	
36	Grahamville- Barlow	Transmission *	161.00	69.00	13.20
37	Green River Plant - Greenville	Transmission (G)	138.00	13.20	
38	Green River Plant - Greenville	Transmission	138.00	69.00	13.20
39	Green River Plant - Greenville	Transmission	154.00	138.00	13.20
40	Green River Plant - Greenville	Transmission	161.00	138.00	13.20

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Green River Steel - Greenville	Transmission *	138.00	69.00	13.20
2	Haefling - Lexington	Transmission (G)	69.00	13.20	
3	Haefling - Lexington	Transmission *	138.00	69.00	13.20
4	Hardin County - Elizabethtown	Transmission *	345.00	138.00	13.20
5	Hardin County - Elizabethtown	Transmission *	138.00	69.00	13.20
6	Harlan "Y" - Harlan	Transmission *	161.00	69.00	13.20
7	Higby Mill - Lexington	Transmission *	138.00	69.00	13.20
8	Imboden - Big Stone Gap	Transmission *	161.00	69.00	13.20
9	Kenton - Maysville	Transmission *	132.00	69.00	13.20
10	Kenton - Maysville	Transmission *	138.00	69.00	13.20
11	Lake Reba - Richmond	Transmission *	138.00	69.00	13.20
12	Lake Reba Tap - Richmond	Transmission *	161.00	138.00	6.60
13	Lansdowne - Lexington	Transmission *	138.00	69.00	13.20
14	Lebanon - Lebanon	Transmission *	80.00	40.00	13.20
15	Leitchfield- Leitchfield	Transmission *	138.00	69.00	13.20
16	Loudon Ave - Lexington	Transmission *	138.00	69.00	13.20
17	Morganfield - Morganfield	Transmission *	161.00	69.00	13.20
18	Ohio County - Beaver Dam	Transmission *	138.00	69.00	13.20
19	Pineville - Pineville	Transmission *	345.00	161.00	13.20
20	Pineville - Pineville	Transmission *	500.00	345.00	34.50
21	Pineville - Pineville	Transmission *	161.00	69.00	13.20
22	Pisgah - Lexington	Transmission *	138.00	69.00	13.20
23	Pittsburg - London	Transmission *	161.00	69.00	13.20
24	Pocket - Pennington Gap	Transmission *	161.00	69.00	13.20
25	Pocket North - Pennington Gap	Transmission *	500.00	161.00	
26	River Queen - Muhlenberg	Transmission *	161.00	69.00	13.20
27	Rodburn - Morehead	Transmission *	138.00	69.00	13.20
28	Rogersville - Radcliff	Transmission *	138.00	69.00	13.20
29	Scott County	Transmission *	138.00	69.00	13.20
30	South Paducah	Transmission *	161.00	69.00	13.20
31	Spencer Road - Mt. Sterling	Transmission *	138.00	69.00	13.20
32	Taylor County - Campsville	Transmission *	161.00	69.00	13.20
33	Tyrone - Versailles	Transmission (G)	40.00	13.20	
34	Tyrone - Versailles	Transmission (G)	69.00	13.20	
35	Tyrone - Versailles	Transmission (G)	69.00	14.00	
36	Tyrone - Versailles	Transmission *	138.00	69.00	13.20
37	Walker - Earlington	Transmission *	161.00	69.00	13.20
38	West Cliff - Harrodsburg	Transmission *	138.00	69.00	13.20
39	West Frankfort - Shelbyville	Transmission *	345.00	138.00	13.20
40	West Frankfort - Shelbyville	Transmission *	138.00	69.00	13.20

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SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	West Irvine - Irvine	Transmission *	161.00	69.00	13.20
2	West Lexington - Lexington	Transmission *	345.00	138.00	13.20
3	Wickliffe - Barlow	Transmission *	161.00	69.00	13.20
4	Total Transmission		14363.00	6103.10	910.90
5					
6	A.O. Smith - Mt. Sterling	Distribution *	69.00	12.47	
7	Adams 12KV	Disribution *	69.00	12.47	
8	Aisin 12KV	Distribution *	69.00	12.47	
9	Alexander - Versailles	Distribution *	69.00	12.47	
10	American Ave. - Lexington	Distribution *	69.00	4.16	
11	Ashland Ave. - Lexington	Distribution *	69.00	4.16	
12	Ashland Pipe - Lexington	Distribution *	69.00	12.47	
13	Augusta 12KV	Distribution *	69.00	12.47	
14	Bardstown City 12KV	Distribution *	69.00	12.47	
15	Bardstown Ind. 12KV	Distribution *	69.00	12.47	
16	Beaver Dam - Beaver Dam	Distribution *	69.00	12.47	
17	Beaver Dam North - Beaver Dam	Distribution *	69.00	12.47	
18	Belt Line - Lexington	Distribution *	69.00	12.47	
19	Big Stone Gap - Big Stone Gap	Distribution *	69.00	12.47	
20	Bond - Coeburn	Distribution *	69.00	12.47	
21	Boone Ave. - Winchester	Distribution *	69.00	12.47	
22	Borg Warner - Earlington	Distribution *	69.00	12.47	
23	Boston - Elizabethtown	Distribution *	69.00	12.47	
24	Bryant Road - Lexington	Distribution *	69.00	12.47	
25	Buchanan - Lexington	Distribution *	69.00	4.16	
26	Buena Vista 12KV	Distribution *	69.00	12.47	
27	Burnside - Somerset	Distribution *	69.00	12.47	
28	Camargo - Mt. Sterling	Distribution *	69.00	12.47	
29	Campellsville 1 - Campellsville	Distribution *	69.00	12.47	
30	Campellsville 2 - Campellsville	Distribution *	69.00	12.47	
31	Carntown - Augusta	Distribution *	69.00	12.47	
32	Caron - London	Distribution *	69.00	12.47	
33	Carrollton - Carrollton	Distribution *	69.00	12.47	
34	Cawood - Harlan	Distribution *	69.00	12.47	
35	Clay Mills - Lexington	Distribution *	138.00	12.47	
36	Clinch Valley - Norton	Distribution *	69.00	12.47	
37	Columbia - Columbia	Distribution *	69.00	12.47	
38	Columbia South - Columbia	Distribution *	69.00	12.47	
39	Corbin East - Corbin	Distribution *	69.00	12.47	
40	Corning 12KV	Distribution *	69.00	12.47	

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			Primary (c)	Secondary (d)	Tertiary (e)
1	Corporate Drive 12 2	Distribution *	69.00	12.47	
2	Cynthiana 12KV	Distribution *	69.00	12.47	
3	Cynthiana South 12KV	Distribution *	69.00	12.47	
4	Danville 1 - Danville	Distribution *	69.00	12.47	
5	Danville East - Danville	Distribution *	69.00	12.47	
6	Danville Ind. - Danville	Distribution *	69.00	12.47	
7	Danville North - Danville	Distribution *	69.00	12.47	
8	Danville West - Danville	Distribution *	69.00	12.47	
9	Dark Hollow - Richmond	Distribution *	69.00	12.47	
10	Dawson Ind. - Earlington	Distribution *	69.00	4.16	
11	Days Branch 12KV	Distribution *	69.00	12.47	
12	Dayton-Walther - Carrollton	Distribution *	138.00	12.47	
13	Delaplain - Georgetown	Distribution *	69.00	12.47	
14	Delaplain - Georgetown	Distribution *	69.00	13.80	
15	Denham Street - Somerset	Distribution *	69.00	12.47	
16	Detroit Harvester - Paris	Distribution *	69.00	12.47	
17	Donerail - Lexington	Distribution *	69.00	12.47	
18	Dorchester - Norton	Distribution *	69.00	12.47	
19	Dow Corning - Carrollton	Distribution *	69.00	12.47	
20	Dozier Heights 12KV	Distribution *	69.00	12.47	
21	Earlington - Earlington	Distribution *	69.00	12.47	
22	East Bernstadt - London	Distribution *	69.00	12.47	
23	East Stone - Big Stone Gap	Distribution *	69.00	12.47	
24	Eastland - Lexington	Distribution *	69.00	12.47	
25	Elizabethtown Industrial - Elizabethtown	Distribution *	69.00	12.47	
26	Eminence - Shelbyville	Distribution *	69.00	12.47	
27	Esserville - Norton	Distribution *	69.00	12.47	
28	Etown #2 - Elizabethtown	Distribution *	69.00	12.47	
29	Etown #4 - Elizabethtown	Distribution *	69.00	12.47	
30	Etown East - Elizabethtown	Distribution *	69.00	12.47	
31	Etown West - Elizabethtown	Distribution *	69.00	12.47	
32	Ewington - Mt. Sterling	Distribution *	69.00	12.47	
33	Ferguson South - Somerset	Distribution *	69.00	12.47	
34	Florida Tile - Lawrenceburg	Distribution *	69.00	12.47	
35	FMC - Lexington	Distribution *	69.00	12.47	
36	Forks of Elkhorn - Georgetown	Distribution *	34.50	12.47	
37	GE Lamp Works - Lexington	Distribution *	69.00	4.16	
38	Georgetown - Georgetown	Distribution *	69.00	12.47	
39	Green River Steel 2 12	Distribution *	69.00	12.47	
40	Greensburg - Campsville	Distribution *	69.00	12.47	

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Greenville 12KV - Muhlenburg	Distribution *	69.00	12.47	
2	Greenville North - Muhlenburg	Distribution *	69.00	12.47	
3	Haefling - Lexington	Distribution *	138.00	12.47	
4	Haley - Lexington	Distribution *	69.00	12.47	
5	Hamblin - Pennington Gap	Distribution *	69.00	12.47	
6	Hanson - Earlington	Distribution *	69.00	12.47	
7	Harlan - Harlan	Distribution *	69.00	12.47	
8	Harlan Wye - Harlan	Distribution *	69.00	12.47	
9	Harrodsburg #2 - Harrodsburg	Distribution *	69.00	12.47	
10	Harrodsburg #3 - Harrodsburg	Distribution *	69.00	12.47	
11	Harrodsburg North 12	Distribution *	69.00	12.47	
12	Higby Mill 12KV - Lexington	Distribution *	138.00	12.47	
13	Higby Mill 12KV #2 - Lexington	Distribution *	69.00	12.47	
14	Highsplint - Harlan	Distribution *	69.00	12.47	
15	Hodgenville 12KV	Distribution *	69.00	12.47	
16	Hoover 12KV - Georgetown	Distribution *	69.00	12.47	
17	Hopewell - Corbin	Distribution *	69.00	12.47	
18	Horse Cave 12KV	Distribution *	69.00	12.47	
19	Horse Cave Industrial- Horse Cave	Distribution *	69.00	12.47	
20	Hughes Lane - Lexington	Distribution *	69.00	12.47	
21	IBM - Lexington	Distribution *	69.00	12.47	
22	IBM North 12KV	Distribution *	138.00	12.47	
23	Irvine - Richmond	Distribution *	69.00	12.47	
24	Joyland - Lexington	Distribution *	69.00	12.47	
25	Kawneer - Cynthiana	Distribution *	69.00	12.47	
26	Kenton - Maysville	Distribution *	69.00	12.47	
27	Kentucky River 4KV	Distribution *	69.00	4.16	
28	LaGrange East	Distribution *	69.00	12.47	
29	LaGrange -Penal - LaGrange	Distribution *	69.00	12.47	
30	Lakeshore - Lexington	Distribution *	69.00	12.47	
31	Lansdowne - Lexington	Distribution *	69.00	12.47	
32	Lawrenceburg - Lawrenceburg	Distribution *	69.00	12.47	
33	Lebanon 12KV - Lebanon	Distribution *	69.00	12.47	
34	Lebanon South 12KV - Lebanon	Distribution *	69.00	12.47	
35	Lebanon West - Lebanon	Distribution *	138.00	12.47	
36	Leitchfield 12KV - Leitchfield	Distribution *	69.00	12.47	
37	Leitchfield East - Leitchfield	Distribution *	69.00	12.47	
38	Lemons Mill - Georgetown	Distribution *	69.00	12.47	
39	Lexington Water Comapany	Distribution *	69.00	12.47	
40	Lexington 4KV - Lexington	Distribution *	69.00	4.16	

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Liberty - Liberty	Distribution *	69.00	12.47	
2	Liberty Road - Lexington	Distribution *	69.00	12.47	
3	London - London	Distribution *	69.00	12.47	
4	Loudon Ave. - Lexington	Distribution *	138.00	12.47	
5	Madisonville GE 12KV	Distribution *	69.00	12.47	
6	Madisonville HP 12KV	Distribution *	69.00	12.47	
7	Madisonville South 4KV	Distribution *	69.00	4.16	
8	Madisonville West 12KV	Distribution *	69.00	12.47	
9	Madisonville East 12KV	Distribution *	69.00	12.47	
10	Manchester South	Distribution *	69.00	12.47	
11	Marion South - Marion	Distribution *	69.00	12.47	
12	Maysville Mid - Maysville	Distribution *	69.00	4.16	
13	McCoy Avenue 12KV	Distribution *	69.00	12.47	
14	McKee Road 12KV	Distribution *	69.00	12.47	
15	Meldrum - Middlesboro	Distribution *	69.00	12.47	
16	Metal & Thermit - Carrollton	Distribution *	69.00	12.47	
17	Middlesboro #1 12KV	Distribution *	69.00	12.47	
18	Middlesboro #2 12KV	Distribution *	69.00	12.47	
19	Midway - Versailles	Distribution *	138.00	12.47	
20	Minor Farm 12KV	Distribution *	69.00	12.47	
21	Morehead - Morehead	Distribution *	69.00	12.47	
22	Morganfield - Morganfield	Distribution *	69.00	12.47	
23	Mt. Sterling - Mt. Sterling	Distribution *	69.00	12.47	
24	Mt. Vernon - Mt. Vernon	Distribution *	69.00	12.47	
25	Muhlenburg Prison - Muhlenburg	Distribution *	69.00	12.47	
26	Norton East - Norton	Distribution *	69.00	12.47	
27	Okonite - Richmond	Distribution *	69.00	12.47	
28	Owingsville 12KV	Distribution *	69.00	12.47	
29	Oxford - Georgetown	Distribution *	69.00	12.47	
30	Paris - Paris	Distribution *	69.00	12.47	
31	Parker Seal 12KV - Winchester	Distribution *	69.00	12.47	
32	Parkers Mill 12KV	Distribution *	69.00	12.47	
33	Pepper Pike 12KV - Georgetown	Distribution *	34.50	12.47	
34	Picadome 12KV - Lexington	Distribution *	69.00	12.47	
35	Pineville 12KV	Distribution *	69.00	12.47	
36	Poor Valley - Pennington Gap	Distribution *	69.00	12.47	
37	Portable Sub #3	Distribution *	138.00	13.20	
38	Powderly - Muhlenburg	Distribution *	69.00	12.47	
39	Proctor/Gamble 4KV	Distribution *	69.00	4.16	
40	Race Street - Lexington	Distribution *	69.00	12.47	

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Radcliff - Radcliff	Distribution *	69.00	12.47	
2	Red House 12KV	Distribution *	69.00	12.47	
3	Reynolds - Lexington	Distribution *	138.00	12.47	
4	Richmond 12KV	Distribution *	69.00	12.47	
5	Richmond #3 12KV (EKU)	Distribution *	69.00	12.47	
6	Richmond #3 4KV (EKU)	Distribution *	69.00	12.47	
7	Richmond East	Distribution *	69.00	12.47	
8	Richmond Industrial	Distribution *	69.00	12.47	
9	Richmond South	Distribution *	69.00	12.47	
10	Rockwell - Winchester	Distribution *	69.00	12.47	
11	Rogersville - Radcliff	Distribution *	69.00	12.47	
12	Shannon Run 12KV	Distribution *	69.00	12.47	
13	Sharon - Augusta	Distribution *	69.00	12.47	
14	Shavers Chap 12KV	Distribution *	69.00	12.47	
15	Shelbyville 12KV	Distribution *	69.00	12.47	
16	Shelbyville East	Distribution *	69.00	12.47	
17	Shelbyville South	Distribution *	69.00	12.47	
18	Somerset #2 4KV	Distribution *	69.00	4.16	
19	Somerset #3 12KV	Distribution *	69.00	12.47	
20	Somerset South	Distribution *	69.00	12.47	
21	Springfield - Campellsville	Distribution *	69.00	12.47	
22	St. Paul 12KV	Distribution *	69.00	12.47	
23	Stanford 12KV	Distribution *	69.00	12.47	
24	Stanford North 12KV	Distribution *	69.00	12.47	
25	Stonewall 12KV - Lexington	Distribution *	69.00	12.47	
26	Sylvania 12KV - Winchester	Distribution *	69.00	12.47	
27	Toyota North	Distribution *	138.00	13.20	
28	Toyota South	Distribution *	138.00	13.20	
29	Trafton Ave. 12KV - Lexington	Distribution *	69.00	12.47	
30	Trafton Ave. 4KV - Lexington	Distribution *	69.00	4.16	
31	UK Scott 12KV	Distribution *	69.00	12.47	
32	UK Medical Center - Lexington	Distribution *	69.00	12.47	
33	UK West - Lexington	Distribution *	69.00	13.09	
34	Union Underwear - Russell Springs	Distribution *	69.00	12.47	
35	Vaksdahl Avenue 12KV	Distribution *	69.00	12.47	
36	Verda - Harlan	Distribution *	69.00	12.47	
37	Versailles West 12KV - Versailles	Distribution *	69.00	12.47	
38	Versailles Bypass - Versailles	Distribution *	69.00	12.47	
39	Viley Road - Lexington	Distribution *	138.00	12.47	
40	Vine Street 12KV - Lexington	Distribution *	69.00	12.47	

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			Primary (c)	Secondary (d)	Tertiary (e)
1	Waitsboro - Somerset	Distribution *	69.00	12.47	
2	Warsaw East - Owenton	Distribution *	69.00	12.47	
3	West Hickman - Lexington	Distribution *	69.00	12.47	
4	West High Street 12KV - Lexington	Distribution *	69.00	12.47	
5	Westvaco 13.8KV	Distribution *	69.00	13.80	
6	Wickliffe 13.8KV	Distribution *	69.00	13.80	
7	Wilson Downing - Lexington	Distribution *	69.00	12.47	
8	Williamsburg South - Williamsburg	Distribution *	69.00	12.47	
9	Wilmore - Versailles	Distribution *	69.00	12.47	
10	Winchester Industrial 12KV - Winchester	Distribution *	69.00	12.47	
11	Winchester WW 12KV	Distribution *	69.00	12.47	
12	Wise - Norton	Distribution *	69.00	12.47	
13	273 Stations Less Than 10,000 KVA				
14					
15	Total Distribution		15111.00	2488.37	
16					
17	* Unattended				
18					
19					
20	Summary				
21	Transmission 110				
22	Distribution 480				
23	Total 590				
24					
25					
26					
27					
28					
29					
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35					
36					
37					
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39					
40					

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SUBSTATIONS (Continued)						
5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.						
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.						
Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
94	1		NONE			1
448	1		NONE			2
150	1		NONE			3
94	1		NONE			4
56	1		NONE			5
94	1		NONE			6
56	1		NONE			7
34	1		NONE			8
150	1		NONE			9
380	2		NONE			10
728	5		NONE			11
448	1		NONE			12
504	1		NONE			13
120	1		NONE			14
185	1		NONE			15
50	1		NONE			16
187	2		NONE			17
93	1		NONE			18
112	1		NONE			19
112	1		NONE			20
112	1		NONE			21
31	3		NONE			22
187	2		NONE			23
224	1		NONE			24
224	2		NONE			25
187	2		NONE			26
150	1		NONE			27
149	1		NONE			28
40	3		NONE			29
149	1		NONE			30
450	1		NONE			31
448	1		NONE			32
616	1		NONE			33
1210	2		NONE			34
605	1		NONE			35
93	1		NONE			36
214	2		NONE			37
261	2		NONE			38
200	2		NONE			39
112	1		NONE			40

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4	
SUBSTATIONS (Continued)						
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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
93	1		NONE			1
59	1		NONE			2
149	1		NONE			3
448	1		NONE			4
149	1		NONE			5
112	1		NONE			6
224	2		NONE			7
149	1		NONE			8
33	1		NONE			9
112	1		NONE			10
149	1		NONE			11
200	1		NONE			12
112	1		NONE			13
100	6		NONE			14
93	1		NONE			15
262	2		NONE			16
112	1		NONE			17
93	1		NONE			18
560	1		NONE			19
504	1		NONE			20
243	2		NONE			21
112	1		NONE			22
112	1		NONE			23
187	1		NONE			24
448	1		NONE			25
56	1		NONE			26
61	1		NONE			27
93	1		NONE			28
93	1		NONE			29
50	1		NONE			30
89	2		NONE			31
56	1		NONE			32
38	3		NONE			33
83	1		NONE			34
33	1		NONE			35
112	1		NONE			36
112	1		NONE			37
392	3		NONE			38
448	1		NONE			39
93	1		NONE			40

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			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
56	1		NONE			1
448	1		NONE			2
93	1		NONE			3
16978	113					4
						5
14	1		NONE			6
14	1		NONE			7
14	1		NONE			8
14	1		NONE			9
14	1		NONE			10
28	2		NONE			11
14	1		NONE			12
14	1		NONE			13
23	1		NONE			14
23	1		NONE			15
14	1		NONE			16
14	1		NONE			17
23	1		NONE			18
42	3		NONE			19
45	2		NONE			20
23	1		NONE			21
23	1		NONE			22
14	1		NONE			23
45	2		NONE			24
14	1		NONE			25
14	1		NONE			26
14	1		NONE			27
28	2		NONE			28
45	2		NONE			29
23	1		NONE			30
14	1		NONE			31
23	1		NONE			32
14	1		NONE			33
14	1		NONE			34
37	1		NONE			35
23	1		NONE			36
14	1		NONE			37
14	1		NONE			38
37	2		NONE			39
14	1		NONE			40

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			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
23	1		NONE			1
14	1		NONE			2
14	1		NONE			3
23	1		NONE			4
23	1		NONE			5
45	2		NONE			6
14	1		NONE			7
23	1		NONE			8
14	1		NONE			9
14	1		NONE			10
14	1		NONE			11
14	1		NONE			12
14	1		NONE			13
23	1		NONE			14
14	1		NONE			15
14	1		NONE			16
14	1		NONE			17
14	1		NONE			18
14	1		NONE			19
14	1		NONE			20
14	1		NONE			21
14	1		NONE			22
14	1		NONE			23
23	1		NONE			24
23	1		NONE			25
14	1		NONE			26
23	1		NONE			27
45	2		NONE			28
23	1		NONE			29
14	1		NONE			30
23	1		NONE			31
28	2		NONE			32
14	1		NONE			33
14	1		NONE			34
23	1		NONE			35
14	1		NONE			36
14	1		NONE			37
14	1		NONE			38
14	1		NONE			39
14	1		NONE			40

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
14	1		NONE			1
14	1		NONE			2
39	1		NONE			3
14	1		NONE			4
14	1		NONE			5
14	1		NONE			6
14	1		NONE			7
14	1		NONE			8
14	1		NONE			9
14	1		NONE			10
14	1		NONE			11
37	1		NONE			12
23	1		NONE			13
14	1		NONE			14
14	1		NONE			15
14	1		NONE			16
28	2		NONE			17
28	2		NONE			18
23	1		NONE			19
14	1		NONE			20
75	2		NONE			21
34	1		NONE			22
14	1		NONE			23
37	2		NONE			24
14	1		NONE			25
28	2		NONE			26
14	1		NONE			27
37	2		NONE			28
22	1		NONE			29
37	1		NONE			30
75	2		NONE			31
45	2		NONE			32
14	1		NONE			33
14	1		NONE			34
14	1		NONE			35
14	1		NONE			36
14	1		NONE			37
28	2		NONE			38
45	2		NONE			39
28	2		NONE			40

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
14	1		NONE			1
37	1		NONE			2
45	2		NONE			3
37	1		NONE			4
23	1		NONE			5
14	1		NONE			6
23	1		NONE			7
23	1		NONE			8
14	1		NONE			9
14	1		NONE			10
14	1		NONE			11
14	1		NONE			12
14	1		NONE			13
14	1		NONE			14
14	1		NONE			15
14	1		NONE			16
28	2		NONE			17
28	2		NONE			18
14	1		NONE			19
14	1		NONE			20
14	1		NONE			21
14	1		NONE			22
14	1		NONE			23
14	1		NONE			24
14	1		NONE			25
14	1		NONE			26
14	1		NONE			27
14	1		NONE			28
14	1		NONE			29
14	1		NONE			30
23	1		NONE			31
45	2		NONE			32
14	1		NONE			33
23	1		NONE			34
28	2		NONE			35
14	1		NONE			36
30	1		NONE			37
14	1		NONE			38
14	1		NONE			39
14	1		NONE			40

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			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
23	1		NONE			1
14	1		NONE			2
77	2		NONE			3
45	2		NONE			4
22	1		NONE			5
14	1		NONE			6
23	1		NONE			7
22	1		NONE			8
22	1		NONE			9
22	1		NONE			10
22	1		NONE			11
14	1		NONE			12
14	1		NONE			13
14	1		NONE			14
22	1		NONE			15
22	1		NONE			16
37	2		NONE			17
14	1		NONE			18
14	1		NONE			19
14	1		NONE			20
14	1		NONE			21
45	2		NONE			22
14	1		NONE			23
14	1		NONE			24
37	1		NONE			25
22	1		NONE			26
84	3		NONE			27
84	3		NONE			28
14	1		NONE			29
14	1		NONE			30
37	1		NONE			31
65	2		NONE			32
14	1		NONE			33
14	1		NONE			34
14	1		NONE			35
14	1		NONE			36
22	1		NONE			37
45	2		NONE			38
39	1		NONE			39
14	1		NONE			40

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
14	1		NONE			1
14	1		NONE			2
22	1		NONE			3
28	2		NONE			4
67	3		NONE			5
14	1		NONE			6
45	2		NONE			7
14	1		NONE			8
14	1		NONE			9
22	1		NONE			10
14	1		NONE			11
22	1		NONE			12
1559	317		NONE			13
						14
6180	565					15
						16
						17
						18
						19
						20
16978	113					21
6180	565					22
23158	678					23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40

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Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2007	2006/Q4
FOOTNOTE DATA			

Schedule Page: 426	Line No.: 10	Column: b
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(G) Generation		
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(G) Generation		
Schedule Page: 426	Line No.: 22	Column: b
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(G) Generation		
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(G) Generation		
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(G) Generation		
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THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 7/31/2008)
Form 1-F Approved
OMB No. 1902-0029
(Expires 6/30/2007)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 6/30/2007)



FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) Kentucky Utilities Company	Year/Period of Report End of <u>2005/Q4</u>
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INSTRUCTIONS FOR FILING FERC FORMS 1, 1-F and 3-Q

GENERAL INFORMATION

I Purpose

Form 1 is an annual regulatory support requirement under 18 CFR 141.1 for Major public utilities, licensees and others. Form 1-F is an annual regulatory support requirement under 18 CFR 141.2 for Nonmajor public utilities, licensees and others. Form 3-Q is a quarterly regulatory support requirement which supplements Forms 1 and 1-F under 18 CFR 141.400. The reports are designed to collect financial and operational information from major and nonmajor electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 CFR 101), must submit Form 1 as prescribed in 18 CFR Part 141.1. Each Nonmajor electric utility, licensee or other must submit Form 1-F as prescribed in 18 CFR Part 141.2. Each Major and Nonmajor electric utility licensee or other, must submit Form 3-Q as prescribed in 18 CFR Part 141.400.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus Losses).

Nonmajor means having in each of the three previous calendar years, total annual sales of 10,000 megawatt hours or more

III. What and Where to Submit

- (a) Submit Forms 1, 1-F and 3-Q electronically through the Form 1/3-Q Submission Software. Retain one copy of each report for your files.
- (b) Respondents may submit the Corporate Officer Certification electronically, or file/mail an original signed Corporate Officer Certification to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(c) Submit, immediately upon publication, four (4) copies of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 1, Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to the address in III(c) above.

(d) For the Annual CPA certification, submit with the original submission, or within 30 days after the filing date for Form 1, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules	Pages
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Comparative Balance Sheet	110-113	
Statement of Income	114-117	
Statement of Retained Earnings	118-119	
Statement of Cash Flows	120-121	
Notes to Financial Statements	122-123	

Insert the letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the address indicated at III (b). Use the following form for the letter or report unless unusual circumstances or conditions, explained in the Letter or report, demand that it be varied. insert parenthetical phrases only when exceptions are reported.

GENERAL INFORMATION (continued)

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____ We have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph _____ (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist _____.

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from: Public Reference and Files Maintenance Branch Federal Energy Regulatory Commission 888 First Street, NE. Room 2A ED-12.2 Washington, DC 20426 (202).502-8371

IV. When to Submit:

Submit Form 1 according to the filing dates contained in section 18 CFR 141.1 of the Commission's regulations. Submit Form 1-F according to the filing dates contained in section 18 CFR 141.2 of the Commission's regulations. Submit Form 3-Q according to the filing dates contained in section 18 CFR 141.400 of the Commission's regulations.

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. public reporting burden for the Form 1-F collection of information is estimated to average 112 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 150 hours per response. Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Mr. Michael Miller, ED-30); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII For any resubmissions, submit the electronic filing using the Form 1/3-Q software and send a letter identifying which pages in the form have been revised. Send the letter to the Office of the Secretary.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit: ... (3) 'corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry on the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or Lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning ;he utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission my prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.¹⁰

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the "form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

GENERAL PENALTIES

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information of document required by the Commission in the course of an investigation conducted under this Act shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing "

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER
IDENTIFICATION**

01 Exact Legal Name of Respondent Kentucky Utilities Company		02 Year/Period of Report End of <u>2005/Q4</u>	
03 Previous Name and Date of Change (if name changed during year) / /			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 220 W. Main Street, P.O. Box 32010, Louisville, KY 40232			
05 Name of Contact Person J. Scott Williams		06 Title of Contact Person Mgr-Regulatory Acct & Reportg	
07 Address of Contact Person (Street, City, State, Zip Code) P.O. Box 32010, Louisville, KY 40232			
08 Telephone of Contact Person, Including Area Code (502) 627-2530	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) 03/31/2006
ANNUAL CORPORATE OFFICER CERTIFICATION			
The undersigned officer certifies that: I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.			
01 Name S. Bradford Rives	03 Signature S. Bradford Rives		04 Date Signed (Mo, Da, Yr) 03/31/2006
02 Title Chief Financial Officer			
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
LIST OF SCHEDULES (Electric Utility)					
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)		
1	General Information	101			
2	Control Over Respondent	102			
3	Corporations Controlled by Respondent	103			
4	Officers	104			
5	Directors	105			
6	Important Changes During the Year	108-109			
7	Comparative Balance Sheet	110-113			
8	Statement of Income for the Year	114-117			
9	Statement of Retained Earnings for the Year	118-119			
10	Statement of Cash Flows	120-121			
11	Notes to Financial Statements	122-123			
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)			
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201			
14	Nuclear Fuel Materials	202-203	NONE		
15	Electric Plant in Service	204-207			
16	Electric Plant Leased to Others	213	NONE		
17	Electric Plant Held for Future Use	214	NONE		
18	Construction Work in Progress-Electric	216			
19	Accumulated Provision for Depreciation of Electric Utility Plant	219			
20	Investment of Subsidiary Companies	224-225	NONE		
21	Materials and Supplies	227			
22	Allowances	228-229			
23	Extraordinary Property Losses	230	NONE		
24	Unrecovered Plant and Regulatory Study Costs	230	NONE		
25	Other Regulatory Assets	232			
26	Miscellaneous Deferred Debits	233			
27	Accumulated Deferred Income Taxes	234			
28	Capital Stock	250-251			
29	Other Paid-in Capital	253			
30	Capital Stock Expense	254			
31	Long-Term Debit	256-257			
32	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261			
33	Taxes Accrued, Prepaid and Charged During the Year	262-263			
34	Accumulated Deferred Investment Tax Credits	266-267			
35	Other Deferred Credits	269			
36	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	NONE		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
LIST OF SCHEDULES (Electric Utility) (continued)					
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".					
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)		
37	Accumulated Deferred Income Taxes-Other Property	274-275			
38	Accumulated Deferred Income Taxes-Other	276-277			
39	Other Regulatory Liabilities	278			
40	Electric Operating Revenues	300-301			
41	Sales of Electricity by Rate Schedules	304			
42	Sales for Resale	310-311			
43	Electric Operation and Maintenance Expenses	320-323			
44	Purchased Power	326-327			
45	Transmission of Electricity for Others	328-330			
46	Transmission of Electricity by Others	332			
47	Miscellaneous General Expenses-Electric	335			
48	Depreciation and Amortization of Electric Plant	336-337			
49	Regulatory Commission Expenses	350-351			
50	Research, Development and Demonstration Activities	352-353			
51	Distribution of Salaries and Wages	354-355			
52	Common Utility Plant and Expenses	356	NONE		
53	Purchase and Sale of Ancillary Services	398			
54	Monthly Transmission System Peak Load	400			
55	Electric Energy Account	401			
56	Monthly Peaks and Output	401			
57	Steam Electric Generating Plant Statistics	402-403			
58	Hydroelectric Generating Plant Statistics	406-407			
59	Pumped Storage Generating Plant Statistics	408-409	NONE		
60	Generating Plant Statistics Pages	410-411			
61	Transmission Line Statistics Pages	422-423			
62	Transmission Lines Added During the Year	424-425	NONE		
63	Substations	426-427			
64	Footnote Data	450			
Stockholders' Reports Check appropriate box: <input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared					

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>S. B. Rives 220 West Main Street Louisville, KY 40202</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>Kentucky August 17, 1912 Virginia December 1, 1991</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not applicable</p>			
<p>4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Electric Service - Kentucky Electric Service - Tennessee Electric Service - Virginia</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
CONTROL OVER RESPONDENT			
<p>1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.</p>			
<p>KU is a subsidiary of E.ON U.S. LLC. Effective December 1, 2005, LG&E Energy LLC was renamed E.ON U.S. LLC. Previously, effective December 30, 2003, LG&E Energy LLC had become the successor, by assignment and subsequent merger, to all the assets and liabilities of LG&E Energy Corp. E.ON U.S. is a subsidiary of E.ON AG (E.ON), a German corporation. E.ON acquired LG&E Energy through its July 1, 2002 acquisition of Powergen plc, now Powergen Limited (Powergen), a United Kingdom company and holding company for E.ON U.K. plc, E.ON's United Kingdom market unit operating parent. KU is now an indirect subsidiary of E.ON. As a result of these acquisitions and otherwise, E.ON and E.ON U.S. are registered as holding companies under PUHCA 2005 and were formerly registered holding companies under PUHCA 1935.</p>			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CORPORATIONS CONTROLLED BY RESPONDENT					
<p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>Definitions</p> <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p>					
Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)	
1	-- Not Applicable --				
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
OFFICERS				
1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.				
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.				
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)	
1	CURRENT OFFICERS AT DECEMBER 31, 2005			
2				
3	Chairman of the Board, President and			
4	Chief Executive Officer	Victor A. Staffieri		
5				
6	Chief Financial Officer	S. Bradford Rives		
7				
8	Executive Vice President, General Counsel			
9	and Corporate Secretary	John R. McCall		
10				
11	Senior Vice President - Energy Services	Paul W. Thompson		
12				
13	Senior Vice President - Energy Delivery	Chris Hermann		
14				
15	Senior Vice President - Information Technology	Wendy C. Welsh		
16				
17	Senior Vice President - Energy Marketing	Martyn Gallus		
18				
19	Vice President - Retail and Gas Storage Operations	David A. Vogel		
20				
21	Treasurer	Daniel K. Arbough		
22				
23	Vice President - Federal Regulation and Policy	Michael S. Beer		
24				
25	Vice President - External Affairs	George R. Siemens		
26				
27	Vice President - Human Resources	Paula H. Pottinger		
28				
29	Vice President - Power Operations WKE	D. Ralph Bowling		
30				
31	Vice President - Communications	R. W. Chip Keeling		
32				
33	Vice President - Regulated Generation	John N. Voyles, Jr.		
34				
35	Controller	Valerie L. Scott		
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: c

Salary information for all officers is on file in the office of the respondent.

Schedule Page: 104 Line No.: 27 Column: b

Paula H. Pottinger was appointed Senior Vice President-Human Resources effective January 2, 2006.

Schedule Page: 104 Line No.: 35 Column: b

Valerie L. Scott, Controller, Effective Date 01-01-2005

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
DIRECTORS				
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.				
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.				
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)		
1	CURRENT BOARD OF DIRECTORS AT DECEMBER 31, 2005			
2				
3	Victor A. Staffieri, Chairman, President and CEO	Louisville, KY 40202		
4	S. Bradford Rives, Chief Financial Officer	Louisville, KY 40202		
5	John R. McCall, EVP General Counsel & Corp Sec	Louisville, KY 40202		
6				
7	Directors added during the year 2005			
8				
9	Chris Hermann, SVP Energy Delivery	Louisville, KY 40202		
10	Paul W. Thompson, SVP Energy Services	Louisville, KY 40202		
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 105 Line No.: 9 Column: a

Chris Hermann became a member of the Board of Directors Decembr 20, 2004, effective January 1, 2005. Mr. Hermann was reelected ath the Annual Meeting June 21, 2005.

Schedule Page: 105 Line No.: 10 Column: a

Paul W. Thompson became a member of the Board of Directors December 20, 2004, effective January 1, 2005. Mr. Thompson was reelected at the Annual Meeting June 21, 2005.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> 1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. 3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization. 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc. 6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee. 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. 8. State the estimated annual effect and nature of any important wage scale changes during the year. 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest. 11. (Reserved.) 12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page. 13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period. 14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio. 			
PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.			

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. KU sold Lock 7 as of December 29, 2005.
4. None.
5. None.
6. At December 31, 2005, the Company had obtained authorization from the SEC under PUHCA SEC File No. 70-10282 for the issuance of short-term debt up to \$400 million through May 31, 2008. The Federal Power Act contained an exemption from FERC approval for securities issuances approved by the SEC under PUHCA. In connection with the repeal of PUHCA, the Company also received FERC authorization under the FPA Docket No. ES06-3-000 for up to \$400 million in short-term debt through November 30, 2007. In July 2005, KU completed a tax-exempt financing transaction regarding \$13.3 million in indebtedness. Also in July 2005, KU entered into a long-term loan with an affiliate in the amount of \$50 million. KU issued another tax exempt bond in November totaling \$13.3 million maturing in June 2035. KU also refinanced a maturing loan totaling \$75 million from an affiliate. The new loan is also from an affiliate and it matures in December 2015. KU has redeemed all of its outstanding preferred stock in October 2005.
7. None.
8. None of a material nature.
9. See Notes 3, 10, and 14 of Notes to Financial Statements.
10. None.
11. N/A.
12. N/A.
13. Paul W. Thompson and Chris Hermann were appointed Directors effective January 1, 2005. Valerie L. Scott was appointed Controller effective January 1, 2005. Paula H. Pottinger was appointed Senior Vice President-Human Resources effective January 2, 2006.
14. The company is a participant in a cash pooling arrangement, but its proprietary capital ratio is above 30%.

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	End of 2005/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,649,861,949	3,571,166,222
3	Construction Work in Progress (107)	200-201	197,024,858	140,982,970
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,846,886,807	3,712,149,192
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,789,102,820	1,681,813,236
6	Net Utility Plant (Enter Total of line 4 less 5)		2,057,783,987	2,030,335,956
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,057,783,987	2,030,335,956
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		1,027,089	1,027,089
19	(Less) Accum. Prov. for Depr. and Amort. (122)		131,332	130,922
20	Investments in Associated Companies (123)		15,638,314	13,381,471
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		691,355	750,215
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		5,597,459	5,450,439
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		22,822,885	20,478,292
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		6,611,224	4,344,012
36	Special Deposits (132-134)		21,598,222	142,985
37	Working Fund (135)		94,873	94,673
38	Temporary Cash Investments (136)		14	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		83,360,727	60,634,566
41	Other Accounts Receivable (143)		5,682,892	5,046,105
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,469,409	622,966
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		31,767,470	199,703
45	Fuel Stock (151)	227	55,589,381	52,248,632
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	24,713,799	22,573,864
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	1,459,687	3,710,299
FERC FORM NO. 1 (REV. 12-03) Page 110				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	6,081,753	5,397,804
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		3,435,902	6,199,919
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		68,437	15,000
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		47,556,000	47,507,000
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		1,619,259	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		288,170,231	207,491,596
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		4,960,110	4,732,447
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	33,314,745	79,971,943
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		929,746	580,986
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	63,174,481	36,732,079
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		11,016,397	11,369,948
82	Accumulated Deferred Income Taxes (190)	234	55,107,609	54,918,233
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		168,503,088	188,305,636
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,537,280,191	2,446,611,480

Name of Respondent		This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
Kentucky Utilities Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	end of 2005/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	308,139,978	308,139,978
3	Preferred Stock Issued (204)	250-251	0	40,000,000
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	15,000,000	15,000,000
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	321,289	594,394
11	Retained Earnings (215, 215.1, 216)	118-119	704,216,017	647,299,790
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	14,342,514	12,085,671
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-19,336,791	0
16	Total Proprietary Capital (lines 2 through 15)		1,022,040,429	1,021,931,045
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	363,604,400	393,210,817
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	383,000,000	258,000,000
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		746,604,400	651,210,817
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		69,604,710	69,155,380
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		26,798,683	20,953,441
35	Total Other Noncurrent Liabilities (lines 26 through 34)		96,403,393	90,108,821
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		117,330,283	92,521,004
39	Notes Payable to Associated Companies (233)		69,665,000	109,820,000
40	Accounts Payable to Associated Companies (234)		57,267,528	36,527,117
41	Customer Deposits (235)		17,326,596	14,998,572
42	Taxes Accrued (236)	262-263	14,501,541	8,137,951
43	Interest Accrued (237)		2,924,671	2,295,535
44	Dividends Declared (238)		0	188,000
45	Matured Long-Term Debt (239)		0	0
<p>FERC FORM NO. 1 (rev. 12-03) Page 112</p>				

Name of Respondent Kentucky Utilities Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 03/31/2006	Year/Period of Report end of 2005/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		3,308,830	3,185,936
48	Miscellaneous Current and Accrued Liabilities (242)		9,622,495	7,495,575
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		623,771	197,049
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		292,570,715	275,366,739
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		1,491,636	1,611,500
57	Accumulated Deferred Investment Tax Credits (255)	266-267	2,105,647	3,805,051
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	15,485,636	9,221,485
60	Other Regulatory Liabilities (254)	278	31,624,689	46,829,542
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		300,754,254	320,876,515
64	Accum. Deferred Income Taxes-Other (283)		28,199,392	25,649,965
65	Total Deferred Credits (lines 56 through 64)		379,661,254	407,994,058
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,537,280,191	2,446,611,480
FERC FORM NO. 1 (rev. 12-03) Page 113				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4	
STATEMENT OF INCOME						
Quarterly						
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.						
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.						
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.						
4. If additional columns are needed place them in a footnote.						
Annual or Quarterly if applicable						
5. Do not report fourth quarter data in columns (e) and (f)						
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.						
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.						
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	1,206,584,987	995,362,317		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	802,212,788	581,761,085		
5	Maintenance Expenses (402)	320-323	72,256,143	60,891,726		
6	Depreciation Expense (403)	336-337	109,431,190	102,399,319		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	215,228	221,868		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	5,240,027	6,250,772		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)		7,127,022	1,521,074		
14	Taxes Other Than Income Taxes (408.1)	262-263	16,456,094	16,653,320		
15	Income Taxes - Federal (409.1)	262-263	58,375,979	39,821,303		
16	- Other (409.1)	262-263	10,937,555	17,834,658		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	36,483,936	74,339,709		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	43,054,514	52,866,385		
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		1,108,364	444,235		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		1,388,149	1,302,024		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,061,707,189	846,644,090		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		144,877,798	148,718,227		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006		Year/Period of Report End of 2005/Q4	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
<p>9. Use page 122 for important notes regarding the statement of income for any account thereof.</p> <p>10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.</p> <p>11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.</p> <p>12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.</p> <p>13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.</p> <p>14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.</p> <p>15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.</p>							
ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY			
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.	
						1	
1,206,584,987	995,362,317					2	
						3	
802,212,788	581,761,085					4	
72,256,143	60,891,726					5	
109,431,190	102,399,319					6	
215,228	221,868					7	
5,240,027	6,250,772					8	
						9	
						10	
						11	
						12	
7,127,022	1,521,074					13	
16,456,094	16,653,320					14	
58,375,979	39,821,303					15	
10,937,555	17,834,658					16	
36,483,936	74,339,709					17	
43,054,514	52,866,385					18	
						19	
						20	
						21	
1,108,364	444,235					22	
						23	
1,388,149	1,302,024					24	
1,061,707,189	846,644,090					25	
144,877,798	148,718,227					26	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006		Year/Period of Report End of 2005/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		144,877,798	148,718,227			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		29,292				
34	(Less) Expenses of Nonutility Operations (417.1)						
35	Nonoperating Rental Income (418)		-385	-385			
36	Equity in Earnings of Subsidiary Companies (418.1)	119	2,256,843	2,559,212			
37	Interest and Dividend Income (419)		850,086	602,551			
38	Allowance for Other Funds Used During Construction (419.1)		44,280	1,135,466			
39	Miscellaneous Nonoperating Income (421)		4,481,656	1,562,210			
40	Gain on Disposition of Property (421.1)			531,263			
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		7,661,772	6,390,317			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)			6,682			
44	Miscellaneous Amortization (425)	340					
45	Donations (426.1)	340	270,532	156,940			
46	Life Insurance (426.2)		707,185	-2,996,697			
47	Penalties (426.3)		73	-368,216			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		506,673	397,050			
49	Other Deductions (426.5)		1,045,626	1,622,897			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,530,089	-1,181,344			
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	26,328	26,328			
53	Income Taxes-Federal (409.2)	262-263	200,383	-530,195			
54	Income Taxes-Other (409.2)	262-263	35,320	-137,020			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	4,919,133	93,455			
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	4,267	81,877			
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)		1,699,404	2,053,848			
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		3,477,493	-2,683,157			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,654,190	10,254,818			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		9,489,080	7,815,055			
63	Amort. of Debt Disc. and Expense (428)		256,523	255,101			
64	Amortization of Loss on Required Debt (428.1)		2,679,347	759,315			
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)	340	16,052,582	14,157,840			
68	Other Interest Expense (431)	340	2,603,815	2,740,510			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		9,297	226,257			
70	Net Interest Charges (Total of lines 62 thru 69)		31,072,050	25,501,564			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		115,459,938	133,471,481			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)		5,520,828				
75	Net Extraordinary Items (Total of line 73 less line 74)		-5,520,828				
76	Income Taxes-Federal and Other (409.3)	262-263	-2,183,487				
77	Extraordinary Items After Taxes (line 75 less line 76)		-3,337,341				
78	Net Income (Total of line 71 and 77)		112,122,597	133,471,481			

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 114 Line No.: 46 Column: d

The expense credit in the Life Insurance account, account number 426.2, is due to the amortization of cash surrender value and proceeds received from demutalization.

Schedule Page: 114 Line No.: 47 Column: d

In December 2003, KU recorded a \$600,000 EPA penalty for an oil spill at the E.W. Brown station. Through settlement proceedings with the EPA in 2004, the penalty was reduced. The credit for the reduced penalty was recorded in 2004 in Account 426.3, Penalties.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
STATEMENT OF RETAINED EARNINGS					
<p>1. Do not report Lines 49-53 on the quarterly version.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)</p> <p>4. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>					
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)	
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)				
1	Balance-Beginning of Period		647,185,055	581,519,194	
2	Changes				
3	Adjustments to Retained Earnings (Account 439)				
4	Adjustment to Opening Balance			9,598	
5	Transfer of Appropriated Retained Earnings		114,735		
6					
7					
8					
9	TOTAL Credits to Retained Earnings (Acct. 439)		114,735	9,598	
10	Preferred Stock Redemption Expense		-1,113,389		
11					
12					
13					
14					
15	TOTAL Debits to Retained Earnings (Acct. 439)		-1,113,389		
16	Balance Transferred from Income (Account 433 less Account 418.1)		109,865,754	130,912,269	
17	Appropriations of Retained Earnings (Acct. 436)				
18					
19					
20					
21					
22	TOTAL Appropriations of Retained Earnings (Acct. 436)				
23	Dividends Declared-Preferred Stock (Account 437)				
24	4.75% Cumulative, Stated Value \$100 per share		-773,196	(950,006)	
25	6.53% Cumulative, Stated Value \$100 per share		-1,062,942	(1,306,000)	
26					
27					
28					
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-1,836,138	(2,256,006)	
30	Dividends Declared-Common Stock (Account 438)				
31	Without Par Value		-50,000,000	(63,000,000)	
32					
33					
34					
35					
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-50,000,000	(63,000,000)	
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings				
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		704,216,017	647,185,055	
	APPROPRIATED RETAINED EARNINGS (Account 215)				
39					
40					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
STATEMENT OF RETAINED EARNINGS					
<p>1. Do not report Lines 49-53 on the quarterly version.</p> <p>2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.</p> <p>3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)</p> <p>4. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.</p> <p>6. Show dividends for each class and series of capital stock.</p> <p>7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p>					
Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)	
41					
42					
43					
44					
45	TOTAL Appropriated Retained Earnings (Account 215)				
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)				
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			114,735	
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			114,735	
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		704,216,017	647,299,790	
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account				
	Report only on an Annual Basis, no Quarterly				
49	Balance-Beginning of Year (Debit or Credit)		12,085,671	9,526,459	
50	Equity in Earnings for Year (Credit) (Account 418.1)		2,256,843	2,559,212	
51	(Less) Dividends Received (Debit)				
52					
53	Balance-End of Year (Total lines 49 thru 52)		14,342,514	12,085,671	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 78(c) on page 117)	112,122,597	133,471,481	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	109,646,418	102,621,187	
5	Amortization of Intangible Assets	5,240,027	6,250,772	
6				
7				
8	Deferred Income Taxes (Net)	-17,762,210	30,349,921	
9	Investment Tax Credit Adjustment (Net)	-1,699,404	-2,053,848	
10	Net (Increase) Decrease in Receivables	-54,186,909	-66,601,167	
11	Net (Increase) Decrease in Inventory	-6,164,633	-7,588,368	
12	Net (Increase) Decrease in Allowances Inventory	2,250,612	4,533,963	
13	Net Increase (Decrease) in Payables and Accrued Expenses	57,546,976	-12,873,573	
14	Net (Increase) Decrease in Other Regulatory Assets	46,657,198	-15,653,569	
15	Net Increase (Decrease) in Other Regulatory Liabilities	-15,204,853	-4,493,245	
16	(Less) Allowance for Other Funds Used During Construction	53,576	1,361,723	
17	(Less) Undistributed Earnings from Subsidiary Companies	2,256,843	2,559,212	
18	Other (provide details in footnote):	-19,437,387	4,734,386	
19	Net (Increase) in Other Deferred Debits and Clearing Accounts	-26,791,162	17,920,423	
20	Net Decrease in Other Deferred Credits	6,264,151	-1,853,036	
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	196,171,002	184,844,392	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-140,006,362	-158,940,743	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	-53,576	-1,361,723	
31	Other (provide details in footnote):			
32				
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-139,952,786	-157,579,020	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)		2,943,260	
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies			
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
STATEMENT OF CASH FLOWS				
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>				
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)	
46	Loans Made or Purchased			
47	Collections on Loans			
48	Change in Long Term Investments	-87,750		
49	Net (Increase) Decrease in Receivables			
50	Net (Increase) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation			
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Other (provide details in footnote):			
54	Change in Restricted Cash	-21,597,814		
55				
56	Net Cash Provided by (Used in) Investing Activities			
57	Total of lines 34 thru 55)	-161,638,350	-154,635,760	
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)	150,611,419	50,000,000	
62	Preferred Stock			
63	Common Stock			
64	Other (provide details in footnote):			
65				
66	Net Increase in Short-Term Debt (c)		41,589,458	
67	Other (provide details in footnote):			
68				
69				
70	Cash Provided by Outside Sources (Total 61 thru 69)	150,611,419	91,589,458	
71				
72	Payments for Retirement of:			
73	Long-term Debt (b)	-50,000,000	-56,924,513	
74	Preferred Stock	-40,840,284		
75	Common Stock			
76	Other (provide details in footnote):			
77	Payment of Life Insurance Loans			
78	Net Decrease in Short-Term Debt (c)	-40,155,000		
79				
80	Dividends on Preferred Stock	-2,024,138	-2,256,006	
81	Dividends on Common Stock	-50,000,000	-63,000,000	
82	Net Cash Provided by (Used in) Financing Activities			
83	(Total of lines 70 thru 81)	-32,408,003	-30,591,061	
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			
86	(Total of lines 22,57 and 83)	2,124,649	-382,429	
87				
88	Cash and Cash Equivalents at Beginning of Period	4,486,997	4,869,426	
89				
90	Cash and Cash Equivalents at End of period	6,611,646	4,486,997	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

Amortized debt expense	256,908
Amortized loss on bonds	791,461
Net Decrease in Other long term debt	(6,140,317)
Net Increase in Asset retirement obligations	5,845,242
Net Decrease in Prepayments	2,764,017
Net Increase Misc. current and accrued assets	(1,619,259)
Net Decrease in Advances for construction	(119,864)
Net Increase in Provision for Post Retirement Benefits	449,330
Net salvage and Depreciation to Clearing Accounts	(2,328,114)
Transfer Minimum Pension Liability and Other	(19,336,791)
Total	(19,437,387)

Schedule Page: 120 Line No.: 18 Column:

Amortized debt expense	255,101
Amortized loss on bonds	759,315
Transfer minimum Pension Liability to Regulatory Assets and Other	6,030,986
Other long term debt	(6,565,072)
Net Increase in Asset retirement obligations	1,255,529
Net Decrease in Prepayments	(1,991,528)
Net Increase Misc. current and accrued assets	646,963
Change in Retained earnings	9,598
Net Increase in Advances for construction	47,113
Provision for Post Retirement Benefits	5,014,991
Decrease in Preliminary Survey	459,943
Increase in Clearing Accounts	(580,986)
Net salvage and Depreciation to Clearing Accounts	(607,567)
TOTAL	4,734,386

Schedule Page: 120 Line No.: 90 Column: b

Cash includes Account 131 Cash, \$408 in Account 134 Special Deposits, and Account 136 Temporary Cash Investments.

Schedule Page: 120 Line No.: 90 Column:

Cash includes Account 131 Cash and Account 134 Special Deposits.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

INDEX OF ABBREVIATIONS

AEP	American Electric Power Company, Inc.
AFUDC	Allowance for Funds Used During Construction
AG	Attorney General of Kentucky
APBO	Accumulated Postretirement Benefit Obligation
ARO	Asset Retirement Obligation
CAIR	Clean Air Interstate Rule
CAMR	Clean Air Mercury Rule
Capital Corp.	E.ON U.S. Capital Corp. (formerly LG&E Capital Corp.)
CAVR	Clean Air Visibility Rule
Clean Air Act	The Clean Air Act, as amended in 1990
CCN	Certificate of Public Convenience and Necessity
Company	LG&E or KU, as applicable
Companies	LG&E and KU
CO ₂	Carbon Dioxide
CT	Combustion Turbines
CWIP	Construction Work in Progress
DOE	Department of Energy
DOJ	Department of Justice
DSM	Demand Side Management
ECAR	East Central Area Reliability Region
ECR	Environmental Cost Recovery
EEl	Electric Energy, Inc.
EITF	Emerging Issues Task Force Issue
E.ON	E.ON AG
E.ON U.S.	E.ON U.S. LLC (formerly LG&E Energy LLC and LG&E Energy Corp.)
E.ON U.S. Services	E.ON U.S. Services Inc. (formerly LG&E Energy Services Inc.)
EPA	U.S. Environmental Protection Agency
EPAAct 2005	Energy Policy Act of 2005
ESM	Earnings Sharing Mechanism
ERISA	Employee Retirement Income Security Act of 1974, as amended
Fidelia	Fidelia Corporation (an E.ON affiliate)
FAC	Fuel Adjustment Clause
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FGD	Flue Gas Desulfurization
FIN	FASB Interpretation
FPA	Federal Power Act
FSP	FASB Staff Position
FT and FT-A	Firm Transportation
FTR	Financial Transmission Right
GSC	Gas Supply Clause
GFA	Grandfathered Transmission Agreement
IBEW	International Brotherhood of Electrical Workers
IMEA	Illinois Municipal Electric Agency
IMPA	Indiana Municipal Power Agency
IRC	Internal Revenue Code of 1986, as amended
IRP	Integrated Resource Plan
ITP	Independent Transmission Provider
Kentucky Commission	Kentucky Public Service Commission
KIUC	Kentucky Industrial Utility Consumers, Inc.
KU	Kentucky Utilities Company
KU Energy	KU Energy Corporation
KU R	KU Receivables LLC

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Kv	Kilovolts
Kva	Kilovolt-ampere
Kw	Kilowatts
Kwh	Kilowatt hours
LEM	LG&E Energy Marketing Inc.
LG&E	Louisville Gas and Electric Company
LG&E Energy	LG&E Energy LLC (now E.ON U.S. LLC)
LG&E R	LG&E Receivables LLC
LG&E Services	LG&E Energy Services Inc. (now E.ON U.S. Services Inc.)
LMP	Locational Marginal Pricing
LNG	Liquefied Natural Gas
Mcf	Thousand Cubic Feet
MGP	Manufactured Gas Plant
MISO	Midwest Independent Transmission System Operator, Inc.
MMBtu	Million British thermal units
Moody's	Moody's Investor Services, Inc.
Mva	Megavolt-ampere
Mw	Megawatts
Mwh	Megawatt hours
NNS	No-Notice Service
NOPR	Notice of Proposed Rulemaking
NOx	Nitrogen Oxide
OATT	Open Access Transmission Tariff
OMU	Owensboro Municipal Utilities
OVEC	Ohio Valley Electric Corporation
PBR	Performance-Based Ratemaking
PJM	Pennsylvania, New Jersey, Maryland Interconnection
Powergen	Powergen Limited (formerly Powergen plc)
PUHCA 1935	Public Utility Holding Company Act of 1935
PUHCA 2005	Public Utility Holding Company Act of 2005
ROE	Return on Equity
RTO	Regional Transmission Organization
RTOR	Regional Through and Out Rates
S&P	Standard & Poor's Rating Services
SCR	Selective Catalytic Reduction
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SFAS	Statement of Financial Accounting Standards
SIP	State Implementation Plan
SMD	Standard Market Design
SO ₂	Sulfur Dioxide
SPP	Southwest Power Pool, Inc.
TEMT	Transmission and Energy Markets Tariff
Tennessee Gas	Tennessee Gas Pipeline Company
Texas Gas	Texas Gas Transmission LLC
Trimble County	LG&E's Trimble County Unit 1
TVA	Tennessee Valley Authority
USWA	United Steelworkers of America
Utility Operations	Operations of LG&E and KU
VDT	Value Delivery Team Process
Virginia Commission	Virginia State Corporation Commission
Virginia Staff	Virginia State Corporation Commission Staff
WNA	Weather Normalization Adjustment

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Kentucky Utilities Company
Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

KU, a subsidiary of E.ON U.S. (formerly LG&E Energy) and an indirect subsidiary of E.ON, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy. E.ON U.S. is a public utility holding company with wholly owned subsidiaries including LG&E, KU, Capital Corp., LEM and E.ON U.S. Services. All of KU's common stock is held by E.ON U.S. In May 2004, KU dissolved its accounts receivable securitization-related subsidiary, KU R. Prior to May 2004, the consolidated financial statements included the accounts of KU and KU R with the elimination of intercompany accounts and transactions.

Effective December 30, 2003, LG&E Energy LLC became the successor, by assignment and subsequent merger, to all the assets and liabilities of LG&E Energy Corp. Effective December 1, 2005, LG&E Energy LLC was renamed E.ON U.S. LLC.

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2005 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows.

During 2005, KU made out-of-period adjustments for estimated over/under collection of ECR revenues to be billed in subsequent periods. The adjustments were related to the reporting periods of May 2003 through December 2004. As a result, 2005 revenues for KU were reduced \$2.9 million and net income was reduced \$1.7 million. KU revenues and net income for 2004 were overstated by \$3.2 million and \$1.9 million, respectively, and KU revenues and net income for 2003 were understated by \$0.3 million and \$0.2 million, respectively.

Presentation. The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the FERC, which is a comprehensive basis of accounting other than generally accepted accounting principles. The significant differences between Generally Accepted Accounting Principles (GAAP) and FERC reporting are as follows:

Restricted cash is recorded in cash on the balance sheet for FERC reporting and presented as a separate line item for GAAP statements;

Certain costs of removal obligations are recorded in accumulated depreciation for FERC reporting and recorded in regulatory liabilities for GAAP reporting;

Long-term and short-term bonds are recorded in total in the long-term debt section for FERC reporting and are presented separately in current liabilities for the short-term portion and in long-term debt for the long-term portion for GAAP reporting; and

Deferred taxes are shown gross for FERC reporting in the balance sheet (a deferred asset and deferred liability are recorded), for GAAP reporting the deferred taxes are netted together and recorded as a liability.

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Regulatory Accounting. KU is subject to SFAS No. 71, under which costs that would otherwise be charged to expense are deferred as regulatory assets based on expected recovery from customers in future rates. Likewise, credits that would otherwise be reflected as income are deferred as regulatory liabilities based on expected return to customers in future rates. KU's current or expected recovery of deferred costs and expected return of deferred credits is based on specific ratemaking decisions or precedent for each item as prescribed by the FERC, the Kentucky Commission and the Virginia Commission. See Note 3, Rates and Regulatory Matters, for additional detail regarding regulatory assets and liabilities.

Cash and Cash Equivalents. KU considers all debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash. Proceeds from two bond issuances for environmental equipment (primarily related to the installation of FGDs) are held in trust pending expenditure for qualifying assets which is expected to occur during 2006. The amount held in trust at December 31, 2005, was \$21.6 million and is classified as restricted cash on KU's Balance Sheet.

Allowance for Doubtful Accounts. The allowance for doubtful accounts is based on the ratio of the amounts charged-off during the last twelve months to the retail revenues billed over the same period multiplied by the retail revenues billed over the last four months. Accounts with no payment activity are charged-off after four months, although collection efforts continue thereafter.

Materials and Supplies. Fuel and other materials and supplies inventories are accounted for using the average-cost method. Emission allowances are included in inventory at cost and are not currently traded by KU. At December 31, 2005 and 2004, the emission allowances inventory was approximately \$1.5 million and \$3.7 million, respectively.

Other Property and Investments. Other property and investments on the balance sheet consists of KU's investment in EEI, economic development loans provided to various communities in KU's service territory, KU's investment in OVEC, funds related to KU's long-term purchased power contract with OMU and non-utility plant.

Although KU holds investment interests in OVEC and EEI, it is not the primary beneficiary of OVEC or EEI, and, therefore, neither are consolidated into the financial statements of KU. KU and 11 other electric utilities are participating owners of OVEC, located in Piketon, Ohio. OVEC owns and operates two power plants that burn coal to generate electricity, Kyger Creek Station in Ohio and Clifty Creek Station in Indiana. KU's share is 2.5%, representing approximately 55 Mw of generation capacity.

As of December 31, 2005 and 2004, KU's investment in OVEC totaled \$0.3 million and is accounted for under the cost method of accounting. KU's maximum exposure to loss as a result of its involvement with OVEC is limited to the value of its investment. In the event of the inability of OVEC to fulfill its power provision requirements, KU would substitute such power supply with either owned generation or market purchases and would generally recover associated incremental costs through regulatory rate mechanisms. See Note 10,

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Commitments and Contingencies, for further discussion of developments regarding KU's ownership interests and power purchase rights.

KU owns 20% of the common stock of EEI, which owns and operates a 1,000-Mw generating station in southern Illinois. Previously, KU was entitled to take 20% of the available capacity of the station under a pricing formula comparable to the cost of other power generated by KU. Such power equated to approximately 9% of KU's net generation system output in 2005. This contract governing the purchases from EEI terminated on December 31, 2005. Subsequent to December 31, 2005, EEI has sold power under general market-based pricing and terms. KU has not contracted with EEI for power under the new arrangements, but maintains its 20% ownership in the common stock of EEI. Replacement power for the EEI capacity has been largely provided by KU generation. See Note 10, Commitments and Contingencies.

KU's investment in EEI is accounted for under the equity method of accounting and, as of December 31, 2005 and 2004 totaled \$15.6 million and \$13.4 million, respectively. KU's portion of equity in EEI earnings for the last three years was \$2.3 million in 2005, \$2.6 million in 2004 and \$3.7 million in 2003. KU's direct exposure to loss as a result of its involvement with EEI is generally limited to the value of its investment.

Utility Plant. KU's utility plant is stated at original cost, which includes payroll-related costs such as taxes, fringe benefits, and administrative and general costs. Construction work in progress has been included in the rate base for determining retail customer rates in Kentucky. KU has not recorded a significant allowance for funds used during construction.

The cost of plant retired or disposed of in the normal course of business is deducted from plant accounts and such cost, plus removal expense less salvage value, is charged to the reserve for depreciation. When complete operating units are disposed of, appropriate adjustments are made to the reserve for depreciation and gains and losses, if any, are recognized.

Depreciation and Amortization. Depreciation is provided on the straight-line method over the estimated service lives of depreciable plant. The amounts provided were approximately 3.2% in 2005, 3.1% in 2004 and 3.1% in 2003, of average depreciable plant. Of the amount provided for depreciation at December 31, 2005 and 2004, approximately 0.5% was related to the retirement, removal and disposal costs of long lived assets.

Unamortized Debt Expense. Debt expense is capitalized in deferred debits and amortized over the lives of the related bond issues.

Income Taxes. Income taxes are accounted for under SFAS No. 109. In accordance with this statement, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as measured by enacted tax rates that are expected to be in effect in the periods when the deferred tax assets and liabilities are expected to be settled or realized. Significant judgment is required in determining the provision for income taxes, and there are transactions for which the ultimate tax outcome is uncertain. To provide for these uncertainties or exposures, an allowance is maintained for tax contingencies based on management's best estimate of probable loss. Tax contingencies are analyzed periodically and adjustments are made when events occur to warrant a change. See Note 7, Income Taxes.

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Deferred Income Taxes. Deferred income taxes are recognized at currently enacted tax rates for all material temporary differences between the financial reporting and income tax bases of assets and liabilities.

Investment Tax Credits. Investment tax credits resulted from provisions of the tax law that permitted a reduction of KU's tax liability based on credits for construction expenditures. Deferred investment tax credits are being amortized to income over the estimated lives of the related property that gave rise to the credits.

Revenue Recognition. Revenues are recorded based on service rendered to customers through month-end. KU accrues an estimate for unbilled revenues from each meter reading date to the end of the accounting period based on allocating the daily system net deliveries between billed volumes and unbilled volumes. The allocation is based on a daily ratio of the number of meter reading cycles remaining in the month to the total number of meter reading cycles in each month. Each day's ratio is then multiplied by each day's system net deliveries to determine an estimated billed and unbilled volume for each day of the accounting period. The unbilled revenue estimates included in accounts receivable were approximately \$47.6 million and \$47.5 million at December 31, 2005, and 2004, respectively.

Fuel Costs. The cost of fuel for electric generation is charged to expense as used.

Management's Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accrued liabilities, including legal and environmental, are recorded when they are probable and estimable. Actual results could differ from those estimates.

New Accounting Pronouncements. The following accounting pronouncement was issued that affected KU in 2005:

FIN 47

KU adopted FIN 47, effective December 31, 2005. FIN 47 expands the term "conditional asset retirement obligation" as used in SFAS No. 143, to refer to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. An entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The fair value of a liability for the conditional asset retirement obligation should be recognized when incurred; generally, upon acquisition, construction or development and through the normal operation of the asset.

As a result of the implementation of FIN 47, KU recorded additional ARO net assets and liabilities during the fourth quarter of 2005 in the amount of \$0.5 million and \$4.6 million, respectively. KU also recorded a cumulative effect adjustment in the amount of \$4.1 million to reflect the accumulated depreciation and accretion

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of ARO assets at the transition date less amounts previously accrued under regulatory depreciation. KU recorded offsetting regulatory assets of \$4.1 million, pursuant to regulatory treatment prescribed under SFAS No. 71 as the costs of removal are allowed under Kentucky Commission ratemaking.

Had FIN 47 been in effect at the beginning of the 2004 reporting period, KU would have established asset retirement obligations as described in the following table (in millions):

	<u>2005</u>	<u>2004</u>
Provision at beginning of the year	\$4.3	\$4.1
Accretion expense	<u>0.3</u>	<u>0.2</u>
Provision at end of the year	<u>\$4.6</u>	<u>\$4.3</u>

Note 2 – Company Structure

On July 1, 2002, E.ON completed its acquisition of Powergen, including E.ON U.S. (formerly LG&E Energy), for approximately £5.1 billion (\$7.3 billion). As a result of the acquisition, E.ON U.S. became a wholly owned subsidiary of E.ON and, as a result, KU also became an indirect subsidiary of E.ON. KU has continued its separate identity and serves customers in Kentucky, Virginia and Tennessee under its existing name. The preferred stock and debt securities of KU were not affected by this transaction and the Company continues to file SEC reports.

Note 3 - Rates and Regulatory Matters

Electric Rate Case

In December 2003, KU filed an application with the Kentucky Commission requesting an adjustment in KU's electric rates. KU asked for a general adjustment in electric rates based on the twelve month test period ended September 30, 2003. The revenue increase requested was \$58.3 million. In June 2004, the Kentucky Commission issued an order approving an increase in the electric base rates of KU of approximately \$46.1 million (6.8%). The rate increase took effect on July 1, 2004.

During 2004 and 2005, the AG conducted an investigation of KU, as well as of the Kentucky Commission and its staff, requesting information regarding allegedly improper communications between KU and the Kentucky Commission, particularly during the period covered by the rate case. Concurrently, the AG had filed pleadings with the Kentucky Commission requesting rehearing of the rate case on computational components of the increased rates, including income taxes, cost of removal and depreciation amounts. In August 2004, the Kentucky Commission denied the AG's rehearing request on the cost of removal and depreciation issues and granted rehearing on the income tax component. The Kentucky Commission further agreed to hold in abeyance further proceedings in the rate case, until the AG filed its investigative report regarding the allegations of improper communication.

In January 2005 and February 2005, the AG filed a motion summarizing its investigative report as containing evidence of improper communications and record-keeping errors by KU in its conduct of activities before the Kentucky Commission or other state governmental entities and forwarded such report to the Kentucky

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Commission under continued confidential treatment to allow it to consider the report, including its impact, if any, on completing its investigation and any remaining steps in the rate case. To date, KU has neither seen nor requested copies of the report or its contents.

In December 2005, the Kentucky Commission issued an order noting completion of its inquiry, including review of the AG's investigative report. The order concludes no improper communications occurred during the rate proceeding. The order further established a procedural schedule through the first quarter of 2006 for considering the sole issue for which rehearing was granted: state income tax rates used in calculating the granted rate increase. This issue is estimated at less than \$1 million annually. On March 31, 2006 the Kentucky Commission issued an order denying the AG's request to change the calculation of state income taxes used for the rate increase; therefore, no change will be made to KU's initial rate increase. Although this order has resolved this issue on rehearing, the initial rate increase order could be subject to judicial appeal.

KU believes no improprieties have occurred in its communications with the Kentucky Commission and has cooperated with the proceedings before the AG and the Kentucky Commission. KU is currently unable to determine the ultimate impact, if any, of, or any possible future actions of the AG or the Kentucky Commission arising out of, the AG's report and investigation, including whether there will be further actions to appeal, review or otherwise challenge the granted increase in rates.

Regulatory Assets and Liabilities

KU currently earns a return on all regulatory assets except for DSM and FAC, both of which are separate recovery mechanisms with recovery within twelve months. Additionally, no current return is earned on the ARO regulatory asset. This regulatory asset will be offset against the associated regulatory liability, ARO asset, and ARO liability at the time the underlying asset is retired. See Note 1, Summary of Significant Accounting Policies.

VDT. During the first quarter of 2001, KU recorded a \$64.0 million charge for a workforce reduction program. Primary components of the charge were separation benefits, enhanced early retirement benefits and healthcare benefits. The result of this workforce reduction was the elimination of approximately 300 positions, accomplished primarily through a voluntary enhanced severance program.

In December 2001, the Kentucky Commission issued an order approving a settlement agreement allowing KU to set up a regulatory asset of \$54.0 million for the workforce reduction costs and begin amortizing these costs over a five-year period starting in April 2001. Some employees rescinded their participation in the voluntary enhanced severance program and, along with the non-recurring charge of \$6.9 million for FERC and Virginia jurisdictions, which thereby decreased the original charge to the regulatory asset from \$64.0 million to \$54.0 million. The order reduced revenues by approximately \$11.0 million through a surcredit on bills to ratepayers over the same five-year period. The surcredit represents savings, net of the amortization of the costs, stipulated by KU and shared 40% with ratepayers, with KU retaining 60% of the net savings.

The five-year VDT amortization period is scheduled to expire in March 2006. As part of the settlement agreements in the rate case, KU was required to file, and did file on September 30, 2005, with the Kentucky Commission a plan for the future ratemaking treatment of the VDT surcredit and costs. The surcredit will

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remain in effect until the Commission enters an order on the future disposition of VDT-related issues.

On February 27, 2006, the AG, KIUC, LG&E and KU reached a settlement agreement on the future ratemaking treatment of the VDT surcredits and costs and subsequently submitted a joint motion to the Kentucky Commission to approve the unanimous settlement agreement. Under the terms of the settlement agreement, the VDT surcredit will continue at the current level until such time as KU files for a change in electric base rates. The Kentucky Commission held a public hearing in the proceeding on March 21, 2006 and issued an order on March 24, 2006 approving the settlement agreement.

Unamortized Loss on Bonds. The costs of early extinguishment of debt, including call premiums, legal and other expenses, and any unamortized balance of debt expense are amortized over the life of either replacement debt (in the case of re-financing) or the original life of the extinguished debt.

ARO. A summary of KU's net ARO assets, regulatory assets, liabilities and cost of removal established under FIN 47 and SFAS No. 143 follows:

(in millions)	ARO Net Assets	ARO Liabilities	Regulatory Assets	Regulatory Liabilities	Accumulated Cost of Removal	Cost of Removal Depreciation
As of December 31, 2003	\$ 6.9	\$(19.7)	\$11.3	\$(1.2)	\$ 2.4	\$ 0.3
ARO accretion	-	(1.3)	1.3	-	-	-
ARO depreciation	(0.2)	-	0.2	-	-	-
Removal cost incurred	-	-	-	-	-	-
Cost of removal depreciation	-	-	-	(0.2)	-	0.2
As of December 31, 2004	6.7	(21.0)	12.8	(1.4)	2.4	0.5
FIN 47 net asset additions	0.5	(4.6)	4.1	-	-	-
ARO accretion	-	(1.4)	1.4	-	-	-
ARO depreciation	(1.7)	-	1.7	-	-	-
Removal cost incurred	-	0.2	-	-	-	-
Cost of removal depreciation	-	-	-	(0.3)	-	0.3
As of December 31, 2005	<u>\$ 5.5</u>	<u>\$(26.8)</u>	<u>\$20.0</u>	<u>\$(1.7)</u>	<u>\$ 2.4</u>	<u>\$ 0.8</u>

Pursuant to regulatory treatment prescribed under SFAS No. 71, an offsetting regulatory credit was recorded in Depreciation and amortization in the income statement of \$3.1 million in 2005 and \$1.5 million in 2004 for the ARO accretion and depreciation expense. KU AROs are primarily related to the final retirement of assets associated with generating units. For assets associated with AROs, the removal cost accrued through depreciation under regulatory accounting is established as a regulatory asset or liability pursuant to regulatory treatment prescribed under SFAS No. 71. For the years ended December 31, 2005 and 2004, KU recorded \$0.3 million and \$0.2 million, respectively, in depreciation expense related to the cost of removal of ARO related assets. An offsetting regulatory liability was established pursuant to regulatory treatment prescribed under SFAS No. 71.

KU transmission and distribution lines largely operate under perpetual property easement agreements which do not generally require restoration upon removal of the property. Therefore, under SFAS No. 143, no material asset retirement obligations are recorded for transmission and distribution assets.

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Merger Surcredit. As part of the LG&E Energy merger with KU Energy in 1998, KU estimated non-fuel savings over a ten-year period following the merger. Costs to achieve these savings were deferred and amortized over a five-year period pursuant to regulatory orders. In approving the merger, the Kentucky Commission adopted KU's proposal to reduce its retail customers' bills based on one-half of the estimated merger-related savings, net of deferred and amortized amounts, over a five-year period. The surcredit mechanism provides that 50% of the net non-fuel cost savings estimated to be achieved from the merger be provided to ratepayers through a monthly bill credit, and 50% be retained by KU and LG&E, over a five-year period. The surcredit was allocated 53% to KU and 47% to LG&E. In that same order, the Commission required LG&E and KU, after the end of the five-year period, to present a plan for sharing with ratepayers the then-projected non-fuel savings associated with the merger. The Companies submitted this filing in January 2003, proposing to continue to share with ratepayers, on a 50%/50% basis, the estimated fifth-year gross level of non-fuel savings associated with the merger. In October 2003, the Kentucky Commission issued an order approving a settlement agreement reached with the parties in the case. KU's merger surcredit will remain in place for another five-year term beginning July 1, 2003 and the merger savings will continue to be shared 50% with ratepayers and 50% with shareholders.

ESM. Prior to 2004, KU's Kentucky retail electric rates were subject to an ESM. The ESM, initially in place for three years beginning in 2000, set an upper (12.5%) and lower (10.5%) limit for rate of return on equity. If earnings were above the upper limit, the excess earnings were shared 40% with ratepayers and 60% with shareholders; if earnings were below the lower limit, the earnings deficiency was recovered 40% from ratepayers and 60% from shareholders. By order of the Kentucky Commission, rate changes prompted by the ESM filing went into effect in April of each year subject to a balancing adjustment in successive periods. There is no ESM for Virginia retail electric rates.

In November 2002, KU filed a revised ESM tariff which proposed continuance of the existing ESM through December 2005. In addition, the Kentucky Commission initiated a focused management audit to review the ESM plan and reassess its reasonableness. KU filed its final 2003 ESM calculations with the Kentucky Commission on March 1, 2004, and applied for recovery of \$16.2 million. Based upon estimates, KU previously accrued \$9.3 million for the 2003 ESM as of December 31, 2003. In June 2004, the Kentucky Commission issued an order largely accepting proposed settlement agreements by KU and all intervenors regarding the ESM. Under the ESM settlements, KU continued to collect approximately \$16.2 million of previously requested 2003 ESM revenue amounts through March 2005. As part of the settlement, the parties agreed to a termination of the ESM mechanism relating to all periods after 2003.

FAC. KU's retail electric rates contain an FAC, whereby increases or decreases in the cost of fuel for electric generation are reflected in the rates charged to retail electric customers. In January 2003, the Kentucky Commission reviewed KU's FAC for the six month period ended October 31, 2001. The Kentucky Commission ordered KU to reduce its fuel costs for purposes of calculating its FAC by \$0.7 million. At issue was the purchase of approximately 102,000 tons of coal from Western Kentucky Energy Corporation, a non-regulated affiliate, for use at KU's Ghent facility. The Kentucky Commission further ordered that an independent audit be conducted to examine operational and management aspects of both KU's and LG&E's fuel procurement functions. A final report was issued in February 2004. The report's recommendations related to documentation and process improvements. Management Audit Action Plans were agreed upon by KU and the Kentucky Commission Staff in the second quarter of 2004. KU filed its first Audit Progress Report with the Kentucky

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Commission Staff in November 2004. A second Audit Progress Report was filed in May 2005. The third Audit Progress Report was filed in December 2005. In January 2006, The Kentucky Commission staff informed KU and LG&E that reporting on all of the original recommendations, but one, has been concluded. KU and LG&E are to file another Audit Progress Report on the remaining open recommendation on August 15, 2006.

The Kentucky Commission requires public hearings at six-month intervals to examine past fuel adjustments, and at two-year intervals to review past operations of the fuel clause and transfer of the then current fuel adjustment charge or credit to the base charges. KU also employs an FAC mechanism for Virginia customers that uses an average fuel cost factor based primarily on projected fuel costs. The fuel cost factor may be adjusted annually for over or under collections of fuel costs from the previous year. No significant issues have been identified as a result of these reviews.

In December 2004, the Kentucky Commission initiated a two-year review of KU's past operations of the fuel clause and transfer of fuel costs from the fuel adjustment clause to base rates. A public hearing on the matter was held on March 17, 2005. An order by the Kentucky Commission was issued in May 2005 approving KU's base fuel component of 18.10 mills/kwh as filed. Revised tariff schedules for KU were filed to reflect the change in the base fuel component.

KU employs a Levelized Fuel Factor mechanism for Virginia customers that uses an average fuel cost factor based primarily on projected fuel costs. The fuel cost factor may be adjusted annually for over- or under-collections of fuel costs from the previous year. In February 2005, KU filed with the Virginia Commission an application seeking approval of an increase in its fuel cost factor to reflect higher fuel costs incurred. KU implemented the increased fuel cost factor with April 2005 billings and the Virginia Commission issued its final order approving the increase on April 29, 2005.

On February 15, 2006, KU filed with the Virginia Commission an application seeking approval of an increase in its fuel cost factor to reflect higher fuel costs incurred during 2005 and anticipated to be incurred in 2006. On March 30, 2006, the Virginia Commission approved KU's request and will subsequently issue a written order.

On July 7, 2005, the Kentucky Commission initiated the six-month review of the KU fuel adjustment clause for the period of November 2004 through April 2005. During November 2005, the Kentucky Commission approved the charges and credits billed and the fuel procurement practices of KU.

On December 27, 2005, the Kentucky Commission initiated the six-month review of the KU fuel adjustment clause for the period of May 2005 through October 2005. Initial discovery was completed on January 17, 2006, and a hearing was held March 16, 2006. KU anticipates Kentucky Commission approval of the charges and credits billed and the fuel procurement practices of KU during the second quarter of 2006.

DSM. KU's rates contain a DSM provision. The provision includes a rate mechanism that provides for concurrent recovery of DSM costs and provides an incentive for implementing DSM programs. The provision allows KU to recover revenues from lost sales associated with the DSM programs based on program plan engineering estimates and post-implementation evaluation.

Deferred Storm Costs. Based on an order from the Kentucky Commission in September 2004, KU reclassified

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from maintenance expense to a regulatory asset, \$4.0 million related to costs not reimbursed from the 2003 ice storm. These costs will be amortized through June 2009. KU earns a return of these amortized costs, which are included in KU's jurisdictional operating expenses.

Accumulated Cost of Removal of Utility Plant. As of December 31, 2005 and 2004, KU has segregated the cost of removal, embedded in accumulated depreciation, of \$280.9 million and \$266.8 million, respectively, in accordance with FERC Order No. 631. For reporting purposes in the balance sheets, KU has presented this cost of removal as a regulatory liability pursuant to SFAS No. 71.

Deferred Income Taxes - Net. Deferred income taxes represent the future income tax effects of recognizing the regulatory assets and liabilities in the income statement. Deferred income taxes are recognized at currently enacted tax rates for all material temporary differences between the financial reporting and income tax bases of assets and liabilities.

ECR. KU's retail rates contain an ECR surcharge which recovers costs incurred by KU that are required to comply with the Clean Air Act and other environmental regulations. In March 2003, the Kentucky Commission initiated a series of six-month and two-year reviews of the operation of KU's Environmental Surcharge. A final order was issued in October 2003, resolving all outstanding issues related to over-recovery from customers and under-recovery of allowed O&M expense. The Commission found that KU had over-collected a net \$6.0 million from customers and ordered the refund to occur through adjustments to the calculation of the monthly surcharge billing factor over the subsequent 12-month period. The Kentucky Commission further ordered KU to roll \$17.9 million of environmental assets into base rates and make corresponding adjustments to the monthly environmental surcharge filings to reflect that portion of environmental rate base now included in base rates going forward. The rates of return for KU's 1994 and post-1994 plans were reset to 1.24% and 12.60%, respectively.

In June 2004, the Kentucky Commission issued an order approving a settlement agreement that, among other things, revised the rate of return for KU's post-1994 plan to 11.19%, with an 11% return on common equity. The order also approved the elimination of KU's 1994 Plan for its ECR billing mechanism, with all remaining costs associated with that plan to be included in their entirety in base rates.

In December 2004, KU filed an application with the Kentucky Commission for approval of a CCN to construct new SO₂ control technology (FGDs) at the Ghent and Brown stations, and to amend its compliance plan to allow recovery of costs associated with new and additional environmental compliance facilities. The estimated capital cost of the additional facilities over the next three years is approximately \$680.0 million, of which approximately \$560.0 million is related to the FGDs at Ghent and Brown. Hearings in these cases occurred in May 2005 and final orders were issued in June 2005, granting approval of the CCN and amendments to KU's compliance plan.

Other Regulatory Matters

MISO. The MISO is a non-profit independent transmission system operator that controls approximately 97,000 miles of transmission lines over 947,000 square miles in 15 northern Midwest states and one Canadian

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province. The MISO operates the regional power grid and wholesale electricity market in an effort to optimize efficiency and safeguard reliability in accordance with federal energy policy.

KU is now involved in proceedings with the Kentucky Commission and the FERC seeking the authority to exit the MISO. A timeline of events regarding the MISO and various proceedings is as follows:

September 1998 – The FERC granted conditional approval for the formation of the MISO. KU was a founding member.

October 2001 – The FERC ordered that all bundled retail loads and grandfathered wholesale loads of each member transmission owner be included in the calculation of the MISO “cost adder,” the Schedule 10 charges designed to recover the MISO’s cost of operation, including start-up capital (debt) costs. KU and several owners opposed the FERC order and filed suit with the United States Court of Appeals.

February 2002 – The MISO began commercial operations.

February 2003 – The FERC reaffirmed its position on the Schedule 10 charges and the order was subsequently upheld by the U.S. Court of Appeals.

July 2003 – The Kentucky Commission opened an investigation into KU’s MISO membership. Testimony was filed by KU that supported an exit from the MISO, under certain conditions. This proceeding remains open.

August 2004 – The MISO filed its FERC-required TEMT. KU and other owners filed opposition to certain conditions of the TEMT and sought to delay the implementation. Such opposition was denied by the FERC.

December 2004 – KU provided the MISO its required one-year notice of intent to exit the grid.

April 2005 – The MISO implemented its day-ahead and real-time market (MISO Day 2), including a congestion management system.

October 2005 – KU filed documents with the FERC seeking authority to exit the MISO. This proceeding remains open.

November 2005 – KU requested a Kentucky Commission order authorizing the transfer of functional control of its transmission facilities from the MISO to KU, for the purpose of exiting the MISO. The request stated that the TVA would have control to the extent necessary to act as the Company’s Reliability Coordinator and for the SPP to perform its function as the Company’s Independent Transmission Organization. This proceeding remains open.

Based on various financial analyses performed internally, in response to the July 2003 Kentucky Commission investigation into MISO membership, and particularly in light of the financial impacts following MISO’s implementation of the new day-ahead and real-time markets, KU determined that the costs of MISO

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membership, both now and in the future, outweigh the benefits.

Should KU be allowed to exit the MISO, an aggregate exit fee of up to \$41.0 million (approximately \$25.0 million for KU and \$16.0 million for LG&E) could be imposed, depending on the timing and circumstances of the actual exit. KU estimates that, over time, such fee could be more than offset by savings resulting from exit from the MISO. Conversely, should KU be ordered to remain in the MISO, costs are expected to continue to exceed benefits, currently without mechanisms for immediate recovery.

On March 17, 2006, the FERC issued an order conditionally approving the request of KU and LG&E to exit the MISO. For further discussion, see Note 15, Subsequent Events.

Market-Based Rate Authority. Since April 2004, the FERC has initiated proceedings to modify its methods which assess generation market power and has established more stringent interim market screen tests. During 2005, in connection with KU's and LG&E's tri-annual market-based rate tariff renewals, although disputed by KU and LG&E, the FERC continued to contend that KU and LG&E failed such market screens in certain regions. In January 2006, in order to resolve the matter, KU and LG&E submitted proposed tariff schedules to the FERC containing a mitigation mechanism with respect to applicable power sales into an adjacent western Kentucky control area where a non-utility affiliate company is active. Prices for such sales will be capped at a relevant MISO power pool index price. Should KU and LG&E exit the MISO, they could additionally be deemed to have market power in their own joint control area, potentially requiring a similar mitigation mechanism for power sales into such region. KU and LG&E cannot predict the ultimate impact of the current or potential mitigation mechanisms on their future wholesale power revenues.

IRP. In April 2005, KU and LG&E filed their 2005 Joint IRP with the Kentucky Commission. The IRP provides historical and projected demand, resource and financial data, and other operating performance and system information. The AG and the KIUC were granted intervention in the IRP proceeding. The Kentucky Commission issued its staff report on February 15, 2006, with no substantive issues noted and closed the case by Order dated February 24, 2006.

Kentucky Commission Administrative Case for System Adequacy. In June 2001, Kentucky's Governor issued Executive Order 2001-771, which directed the Kentucky Commission to review and study issues relating to the need for and development of new electric generating capacity in Kentucky. In response to that Executive Order, in July 2001, the Kentucky Commission opened Administrative Case No. 387 to review the adequacy of Kentucky's generation capacity and transmission system. Specifically, the items reviewed were the appropriate level of reliance on purchased power, the appropriate reserve margins to meet existing and future electric demand, the impact of spikes in natural gas prices on electric utility planning strategies, and the adequacy of Kentucky's electric transmission facilities. In December 2001, the Kentucky Commission issued an order in which it noted that KU is responsibly addressing the long-term supply needs of native load customers and that current reserve margins are appropriate. However, due to the rapid pace of change in the industry, the order also requires KU to provide an annual assessment of supply resources, future demand, reserve margin and the need for new resources.

Regarding the transmission system, the Kentucky Commission concluded that the transmission system within Kentucky can reliably serve native load and a significant portion of the proposed new unregulated power plants.

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However, it will not be able to handle the volume of transactions envisioned by the FERC without future upgrades, the costs of which should be borne by those for whom the upgrades are required.

The Kentucky Commission pledged to continue to monitor all relevant issues and advocate Kentucky's interests at all opportunities.

EPAct 2005. The EPAct 2005 was enacted on August 8, 2005. Among other matters, this comprehensive legislation contains provisions mandating improved electric reliability standards and performance; providing economic and other incentives relating to transmission, pollution control and renewable generation assets; increasing funding for clean coal generation incentives; repealing PUHCA 1935; enacting PUHCA 2005 and expanding FERC jurisdiction over public utility holding companies and related matters via the FPA and PUHCA 2005.

The FERC was directed by the EPAct 2005 to adopt rules to address many areas previously regulated by the other agencies under other statutes, including PUHCA 1935. The FERC is in various stages of rulemaking on these issues and KU is monitoring these rulemaking activities and actively participating in these and other rulemaking proceedings. KU is still evaluating the potential impacts of the EPAct 2005 and the associated rulemakings and cannot predict what impact the EPAct 2005, and any such rulemakings, will have on its operations or financial position.

Kentucky Commission Strategic Blueprint. In February 2005, Kentucky's Governor signed an executive order directing the Kentucky Commission, in conjunction with the Commerce Cabinet and the Environmental and Public Protection Cabinet, to 'develop a Strategic Blueprint for the continued use and development of electric energy.' This Strategic Blueprint is designed to promote future investment in electric infrastructure for the Commonwealth of Kentucky, to protect Kentucky's low-cost electric advantage, to maintain affordable rates for all Kentuckians and to preserve Kentucky's commitment to environmental protection. In March 2005, the Kentucky Commission established Administrative Case No. 2005-00090 to collect information from all jurisdictional utilities in Kentucky, including KU, pertaining to Kentucky electric generation, transmission and distribution systems. KU responded to the Kentucky Commission's first set of data requests at the end of March 2005 and to a second set of data requests in May 2005. The Commission held a Technical Conference on June 14, 2005, in which all parties participated in a panel discussion. A final report was provided on August 22, 2005 from the Kentucky Commission to the Governor. The Kentucky Commission issued an order and closed this proceeding on September 15, 2005. Some of the key findings from the report are:

Kentucky's electric utilities currently have adequate infrastructure as well as adequate planning to serve the needs of customers through 2025;

Kentucky will need 7,000 megawatts of additional generating capacity by 2025;

Kentucky's electric transmission is reliable but intrastate power transfers are limited;

Additional incentives to use renewable energy and educate the public on the benefits of renewables are needed;

Financial incentives should be available for coal purification and other clean air technologies;

A cautious approach should be taken toward deregulation; and

Kentucky must be involved in federal decisions that impact its status as a low cost energy provider.

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Lock 7. On September 27, 2005, KU filed an application with the FERC seeking authority to transfer the operating license for the Lock 7 Hydroelectric Station, a 2.04 Mw facility, to the Lock 7 Hydro Partners, LLC, an unaffiliated third party, for less than \$1 million. On September 28, 2005, KU filed an application with the Kentucky Commission seeking: 1) a determination that Kentucky Commission approval is not required for the transfer of the Lock 7 Hydroelectric Station or 2) Kentucky Commission approval, pursuant to a Kentucky Commission order in case No. 2005-00405, to sell any real property associated with the Lock 7 Hydroelectric Station to Lock 7 Hydro Partners, LLC. Approval from the FERC to transfer the license was received on November 23, 2005. Authority from the Kentucky Commission to transfer the license was granted on December 22, 2005. The license was transferred to the Lock 7 Hydro Partners, LLC on December 29, 2005.

Note 4 - Financial Instruments

The cost and estimated fair values of KU's non-trading financial instruments as of December 31, 2005, and 2004 follow:

(in millions)	<u>2005</u>		<u>2004</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Long-term debt (including current portion)	\$363.6	\$363.5	\$393.2	\$393.5
Long-term debt from affiliate (including current portion)	\$383.0	\$382.4	\$333.0	\$337.0
Interest-rate swaps - asset	\$ 0.8	\$ 0.8	\$ 6.1	\$ 6.1

All of the above valuations reflect prices quoted by exchanges except for the swaps and intercompany loans. The fair values of the swaps and intercompany loans reflect price quotes from dealers or amounts calculated using accepted pricing models. The fair values of cash and cash equivalents, accounts receivable, accounts payable and notes payable are substantially the same as their carrying values.

Interest Rate Swaps. KU uses over-the-counter interest rate swaps to hedge exposure to market fluctuations in certain of its debt instruments. Pursuant to Company policy, use of these financial instruments is intended to mitigate risk, earnings and cash flow volatility and is not speculative in nature. Management has designated all of the interest rate swaps as hedge instruments. Financial instruments designated as fair value hedges and the underlying hedged items are periodically marked to market with the resulting net gains and losses recorded directly into net income. Upon termination of any fair value hedge, the resulting gain or loss is recorded into net income. Financial instruments designated as cash flow hedges have resulting gains and losses recorded within other comprehensive income and stockholders' equity.

KU was party to various interest rate swap agreements with aggregate notional amounts of \$53.0 million and \$103.0 million as of December 31, 2005 and December 31, 2004, respectively. Under these swap agreements, KU paid variable rates based on LIBOR averaging 6.41% and 3.29%, and received fixed rates averaging 7.92% and 7.74% at December 31, 2005 and 2004, respectively. The swap agreement in effect at December 31, 2005 has been designated as a fair value hedge and matures in 2007. The fair value designation was assigned because

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the underlying fixed rate debt has a firm future commitment. For 2005 and 2004, the effect of marking these financial instruments and the underlying debt to market resulted in pre-tax gains of \$0.8 million and \$2.5 million, respectively, recorded in interest expense.

Interest rate swaps hedge interest rate risk on the underlying debt under SFAS No. 133, as amended, in addition to swaps being marked to market, the item being hedged must also be marked to market, consequently at December 31, 2005 and 2004, KU's debt reflects a mark-to-market adjustment of \$2.0 million and \$8.2 million, respectively.

In June 2005, a KU interest rate swap with a notional amount of \$50.0 million was terminated by the counterparty pursuant to the terms of the swap agreement. KU received a payment of \$1.9 million in consideration for the termination of the agreement. KU also called the underlying debt (First Mortgage Bond Series R) and paid a call premium of \$1.9 million. No impact on earnings occurred as a result of the bond call and related swap termination.

In February 2004, KU terminated the swap it had in place at December 31, 2003 related to the Series 9 pollution control bonds. The notional amount of the terminated swap was \$50.0 million and KU received a payment of \$2.0 million as part of the termination. The swap was terminated because it was no longer an effective hedge of the underlying bond.

Energy Risk Management Activities. KU conducts energy trading and risk management activities to maximize the value of power sales from physical assets it owns. Certain energy trading activities are accounted for on a mark-to-market basis in accordance with SFAS No. 133, as amended. Wholesale sales of excess asset capacity are treated as normal sales under SFAS No. 133, as amended and are not marked to market

No changes to valuation techniques for energy trading and risk management activities occurred during 2005 or 2004. Changes in market pricing, interest rate and volatility assumptions were made during both years. All contracts outstanding at December 31, 2005, have a maturity of less than one year and are valued using prices actively quoted for proposed or executed transactions or quoted by brokers.

KU maintains policies intended to minimize credit risk and revalues credit exposures daily to monitor compliance with those policies. At December 31, 2005, 100% of the trading and risk management commitments were with counterparties rated BBB-/Baa3 equivalent or better.

KU hedges the price volatility of its forecasted electric off-system sales with the sales of market-traded electric forward contracts for periods of less than one year. These electric forward sales have been designated as cash flow hedges and are not speculative in nature. Gains or losses on these instruments, to the extent that the hedging relationship has been effective, are deferred in other comprehensive income. Gains and losses resulting from ineffectiveness are shown in KU's Statements of Income in other (income) – net. Upon completion of the underlying hedge transaction, the amount recorded in other comprehensive income is recorded in earnings. No material pre-tax gains and losses resulted from these cash flow hedges in 2005, 2004 and 2003. See Note 13, Accumulated Other Comprehensive Income.

Accounts Receivable Securitization. KU terminated its accounts receivable securitization program in January

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2004, and in May 2004, KU dissolved its inactive accounts receivable securitization-related subsidiary, KU R. No material pre-tax gains and losses resulted from the sale of the receivables in 2004 and 2003. KU's net cash flows from KU R were reduced by \$50.1 million and \$0.1 million for 2004 and 2003, respectively. The allowance for doubtful accounts associated with the eligible securitized receivables at December 31, 2003, was \$0.5 million. This allowance was based on historical experience of KU. Each securitization facility contained a fully funded reserve for uncollectible receivables. KU was able to terminate this program at any time without penalty.

Note 5 - Concentrations of Credit and Other Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. Concentrations of credit risk (whether on- or off-balance sheet) relate to groups of customers or counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

KU's customer receivables and revenues arise from deliveries of electricity to approximately 495,000 customers in over 600 communities and adjacent suburban and rural areas in 77 counties in central, southeastern and western Kentucky, to approximately 30,000 customers in five counties in southwestern Virginia and 5 customers in Tennessee. For the years ended December 31, 2005 and 2004, 100% of total utility revenue was derived from electric operations.

In August 2003, KU and its employees represented by IBEW Local 2100 entered into a three-year collective bargaining agreement. KU and its employees represented by USWA Local 9447-01 entered into a three-year collective bargaining agreement effective August 2005 with authorized annual wage reopeners. The employees represented by these two bargaining units comprise approximately 16% of KU's workforce.

Note 6 - Pension Plans and Other Postretirement Benefit Plans

KU has both funded and unfunded non-contributory defined benefit pension plans and other post-retirement benefit plans that together cover substantially all of its employees. The healthcare plans are contributory with participants' contributions adjusted annually. KU uses December 31 as the measurement date for its plans.

Obligations and Funded Status. The following table provides a reconciliation of the changes in the plan's benefit obligations and fair value of assets over the three-year period ending December 31, 2005, and a statement of the funded status as of December 31, 2005, 2004 and 2003 for KU's sponsored defined benefit:

<u>Pension Plans:</u> (in millions)	<u>2005</u>	<u>2004</u>	<u>2003</u>
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	\$ 290.7	\$ 257.7	\$ 247.7
Service cost	5.1	3.7	3.0
Interest cost	16.2	16.0	15.9
Plan amendment	-	-	0.1
Change due to transfers	(0.5)	0.1	(0.3)
Benefits paid	(19.6)	(19.6)	(22.6)
Actuarial (gain) or loss and other	<u>26.6</u>	<u>32.8</u>	<u>13.9</u>
Projected benefit obligation at end of year	<u>\$ 318.5</u>	<u>\$ 290.7</u>	<u>\$ 257.7</u>

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Change in plan assets			
Fair value of plan assets at beginning of year	\$ 248.2	\$ 201.1	\$ 178.6
Actual return on plan assets	20.7	24.6	36.5
Employer contributions	-	43.4	10.2
Change due to transfers	(0.4)	-	(0.2)
Benefits paid	(19.6)	(19.6)	(22.6)
Administrative expenses	(1.4)	(1.3)	(1.4)
Fair value of plan assets at end of year	<u>\$ 247.5</u>	<u>\$ 248.2</u>	<u>\$ 201.1</u>
Reconciliation of funded status			
Funded status	\$ (71.0)	\$ (42.5)	\$ (56.6)
Unrecognized actuarial (gain) or loss	80.8	56.2	27.9
Unrecognized transition (asset) or obligation	(0.1)	(0.2)	(0.4)
Unrecognized prior service cost	7.5	8.3	9.2
Net amount recognized at end of year	<u>\$ 17.2</u>	<u>\$ 21.8</u>	<u>\$ (19.9)</u>
<u>Other Benefits:</u>			
Change in benefit obligation			
Benefit obligation at beginning of year	\$100.3	\$105.8	\$104.6
Service cost	1.5	1.2	0.8
Interest cost	4.9	5.8	6.3
Plan amendments	0.8	-	-
Benefits paid net of retiree contributions	(5.2)	(6.1)	(7.3)
Actuarial (gain) or loss	(7.7)	(6.4)	1.4
Benefit obligation at end of year	<u>\$ 94.6</u>	<u>\$100.3</u>	<u>\$ 105.8</u>
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 5.9	\$ 5.4	\$ 8.0
Actual return on plan assets	0.7	2.5	(0.8)
Employer contributions	7.5	4.4	5.5
Change due to transfers	-	(0.2)	-
Benefits paid net of retiree contributions	(5.2)	(6.2)	(7.3)
Fair value of plan assets at end of year	<u>\$ 8.9</u>	<u>\$ 5.9</u>	<u>\$ 5.4</u>
Reconciliation of funded status			
Funded status	\$(85.7)	\$(94.4)	\$(100.4)
Unrecognized actuarial (gain) or loss	6.7	14.8	24.0
Unrecognized transition (asset) or obligation	7.8	9.0	10.1
Unrecognized prior service cost	1.6	1.4	2.2
Net amount recognized at end of year	<u>\$(69.6)</u>	<u>\$(69.2)</u>	<u>\$(64.1)</u>

Amounts Recognized in Statement of Financial Position. The following tables provide the amounts recognized in the balance sheet and information for plans with benefit obligations in excess of plan assets as of December 31, 2005, 2004 and 2003:

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<u>Pension Plans:</u> (in millions)	<u>2005</u>	<u>2004</u>	<u>2003</u>
Amounts recognized in the balance sheet consisted of:			
Accrued benefit liability	\$(22.0)	\$ (8.7)	\$(39.0)
Intangible asset	7.5	8.3	9.2
Accumulated other comprehensive income	<u>31.7</u>	<u>22.2</u>	<u>9.9</u>
Net amount recognized at year-end	<u>\$ 17.2</u>	<u>\$21.8</u>	<u>\$ (19.9)</u>
 Increase (decrease) in minimum liability included in other comprehensive income	 \$ 9.5	 \$ 12.4	 \$ (7.7)
 Additional year-end information for plans with accumulated benefit obligations in excess of plan assets:			
Projected benefit obligation	\$318.5	\$290.7	\$257.7
Accumulated benefit obligation	269.5	256.9	240.1
Fair value of plan assets	247.5	248.2	201.1
 <u>Other Benefits:</u>			
Amounts recognized in the balance sheet consisted of:			
Accrued benefit liability	\$(69.6)	\$(69.2)	\$(64.1)
 Additional year-end information for plans with benefit obligations in excess of plan assets:			
Benefit obligation	\$94.6	\$100.3	\$ 105.8
Fair value of plan assets	8.9	5.9	5.4

Components of Net Periodic Benefit Cost. The following table provides the components of net periodic benefit cost for the plans for 2005, 2004 and 2003:

(in millions)	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Pension Plans:</u>			
Components of net periodic benefit cost			
Service cost	\$ 5.1	\$ 3.7	\$ 3.0
Interest cost	16.2	16.0	15.9
Expected return on plan assets	(19.6)	(19.6)	(14.9)
Amortization of transition (asset) or obligation	(0.1)	(0.1)	(0.1)
Amortization of prior service cost	0.8	0.9	0.9
Amortization of actuarial (gain) or loss	<u>2.2</u>	<u>0.8</u>	<u>1.2</u>
Net periodic benefit cost	<u>\$ 4.6</u>	<u>\$ 1.7</u>	<u>\$ 6.0</u>
 <u>Other Benefits:</u>			
Components of net periodic benefit cost			
Service cost	\$ 1.5	\$ 1.2	\$ 0.8
Interest cost	4.9	5.8	6.3
Expected return on plan assets	(0.6)	(0.4)	(0.3)
Amortization of prior service cost	0.7	0.7	0.7
Amortization of transitional (asset) or obligation	1.1	1.1	1.1
Amortization of actuarial (gain) or loss	<u>0.3</u>	<u>1.0</u>	<u>1.2</u>
Net periodic benefit cost	<u>\$ 7.9</u>	<u>\$ 9.4</u>	<u>\$ 9.8</u>

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The assumptions used in the measurement of KU's pension benefit obligation are shown in the following table:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Weighted-average assumptions as of December 31:			
Discount rate	5.50%	5.75%	6.25%
Rate of compensation increase	5.25%	4.50%	3.00%

The assumptions used in the measurement of KU's net periodic benefit cost are shown in the following table:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Discount rate	5.75%	6.25%	6.75%
Expected long-term return on plan assets	8.25%	8.50%	9.00%
Rate of compensation increase	4.50%	3.50%	3.75%

To develop the expected long-term rate of return on assets assumption, KU considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Assumed Healthcare Cost Trend Rates. For measurement purposes, an 11.0% annual increase in the per capita cost of covered healthcare benefits was assumed for 2005. The rate was assumed to decrease gradually to 5.0% by 2015 and remain at that level thereafter.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A 1% change in assumed healthcare cost trend rates would have the following effects:

(in millions)	<u>1% Decrease</u>	<u>1% Increase</u>
Effect on total of service and interest cost components for 2005	\$(0.4)	\$ 0.4
Effect on year-end 2005 postretirement benefit obligations	\$(5.6)	\$ 6.4

Expected Future Benefit Payments. The following list provides the amount of expected future benefit payments, which reflect expected future service, as appropriate:

(in millions)	<u>Pension Plans</u>	<u>Other Benefits</u>
2006	\$ 19.3	\$ 6.8
2007	\$ 18.8	\$ 7.2
2008	\$ 18.2	\$ 7.4
2009	\$ 17.7	\$ 7.7
2010	\$ 17.3	\$ 7.9
2011-2015	\$ 85.3	\$41.4

Estimated Gross Amount of Medicare Subsidy Receipts. The following list provides the amount of subsidy receipts which are expected to be received.

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(in millions)	<u>Other Benefits</u>
2006	\$ 0.5
2007	\$ 0.5
2008	\$ 0.6
2009	\$ 0.6
2010	\$ 0.6
2011-2015	\$ 3.3

Plan Assets. The following table shows KU's weighted-average asset allocation by asset category at December 31:

	<u>Target Range</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Pension Plans:</u>				
Equity securities	45% - 75%	57%	66%	66%
Debt securities	30% - 50%	42%	33%	33%
Other	0% - 10%	<u>1%</u>	<u>1%</u>	<u>1%</u>
Totals		<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Other Benefits:</u>				
Equity securities	- %	- %	- %	- %
Debt securities	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The investment policy of the pension plans was developed in conjunction with financial consultants, investment advisors and legal counsel. The goal of the investment policy is to preserve the capital of the fund and maximize investment earnings. The return objective is to exceed the benchmark return for the policy index comprised of the following: Russell 3000 Index, MSCI-EAFE Index, Lehman Aggregate, and Lehman Long Duration Gov/Corporate Bond Index in proportions equal to the targeted asset allocation.

Evaluation of performance focuses on a long-term investment time horizon of at least three to five years or a complete market cycle. The assets of the pension plans are broadly diversified within different asset classes (equities, fixed income securities and cash equivalents).

To minimize the risk of large losses in a single asset class, no more than 5% of the portfolio will be invested in the securities of any one issuer with the exclusion of the U.S. government and its agencies. The equity portion of the fund is diversified among the market's various subsections to diversify risk, maximize returns and avoid undue exposure to any single economic sector, industry group or individual security. The equity subsectors include, but are not limited to, growth, value, small capitalization and international.

In addition, the overall fixed income portfolio may have an average weighted duration, or interest rate sensitivity which is within +/- 20% of the duration of overall fixed income benchmark. Foreign bonds in the aggregate shall not exceed 10% of the total fund. The portfolio may include a limited investment of up to 20% in below investment grade securities provided that the overall average portfolio quality remains "AA" or better. The below investment grade securities include, but are not limited to, medium-term notes, corporate debt, non-dollar and emerging market debt and asset backed securities. The cash investments should be in securities that either are of short maturities (not to exceed 180 days) or readily marketable with modest risk.

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Derivative securities are permitted only to improve the portfolio's risk/return profile, to modify the portfolio's duration or to reduce transaction costs and must be used in conjunction with underlying physical assets in the portfolio. Derivative securities that involve speculation, leverage, interest rate anticipation, or any undue risk whatsoever are not deemed appropriate investments.

The investment objective for the post retirement benefit plan is to provide current income consistent with stability of principal and liquidity while maintaining a stable net asset value of \$1.00 per share. The post retirement funds are invested in a prime cash money market fund that invests primarily in a portfolio of short-term, high-quality fixed income securities issued by banks, corporations and the U.S. government.

Contributions. KU made discretionary contributions to the pension plan of \$10.2 million in 2003 and \$43.4 million in 2004. KU did not make a contribution to the pension plan in 2005.

FSP 106-2. FSP 106-2, which provided guidance on accounting for subsidies provided under the Medicare Act, was effective for the first interim or annual period beginning after June 15, 2004. The following table reflects the impact of the subsidy in 2004:

(in millions)	
Reduction in APBO	\$3.3
Effect of the subsidy on the measurement of the net periodic postretirement benefit cost:	
Amortization of the actuarial experience gain/(loss)	\$0.3
Reduction in service cost due to the subsidy	-
Resulting reduction in interest cost on the APBO	<u>0.2</u>
Total	<u>\$0.5</u>

Thrift Savings Plans. KU has a thrift savings plan under section 401(k) of the Internal Revenue Code. Under the plan, eligible employees may defer and contribute to the plan a portion of current compensation in order to provide future retirement benefits. KU makes contributions to the plan by matching a portion of the employee contributions. The costs of this matching were approximately \$1.5 million for 2005, \$1.5 million for 2004 and \$1.9 million for 2003.

Minimum Pension Liability. The minimum pension liability was recorded as a regulatory asset at December 31, 2004 and recorded in Other Comprehensive Income at December 31, 2005.

Note 7 - Income Taxes

Deferred federal income tax expense during 2003 and 2004 included significant deductions attributable to federal bonus depreciation which ended after December 2004.

Components of net deferred tax liabilities included in the balance sheet are shown below:

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(in millions)	<u>2005</u>	<u>2004</u>
Deferred tax liabilities:		
Depreciation and other plant-related items	\$300.7	\$304.7
Regulatory assets and other	<u>26.4</u>	<u>25.9</u>
Total deferred tax liabilities	<u>327.1</u>	<u>330.6</u>
Deferred tax assets:		
Investment tax credit	0.8	1.5
Income taxes due to customers	9.1	7.8
Pensions and related benefits	23.3	21.2
Liabilities and other	<u>20.1</u>	<u>17.5</u>
Total deferred tax assets	<u>53.3</u>	<u>48.0</u>
Net deferred income tax liability	<u>\$273.8</u>	<u>\$282.6</u>

A reconciliation of differences between the statutory U.S. federal income tax rate and KU's effective income tax rate follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.8	5.4	5.8
Reduction of income tax accruals	(2.5)	(0.5)	(1.0)
EEI undistributed earnings adjustment	1.8	-	-
Change in tax rate	0.1	-	-
Amortization of investment tax credit & R&D	(1.0)	(1.2)	(1.9)
Other differences	<u>(0.9)</u>	<u>(2.3)</u>	<u>(2.5)</u>
Effective income tax rate	<u>36.3%</u>	<u>36.4%</u>	<u>35.4%</u>

Other differences for 2005 include excess deferred taxes which reflect the benefits of deferred taxes reversing at higher tax rates than the current statutory rate (1.0%) and various other permanent differences 0.1%. Other differences for 2004 include excess deferred taxes (1.4%) and various other permanent differences (0.9%). Other differences for 2003 include excess deferred taxes (1.9%) and various other permanent differences (0.6%).

KU recognized additional deferred income tax expense in the third quarter of 2005 (\$3.1 million) related to the undistributed earnings of its EEI unconsolidated investment. Recent EEI management decisions regarding changes in the distribution of EEI's earnings led to the decision to provide deferred taxes for all book and tax temporary differences in this investment.

On September 19, 2005, KU received notice from the Congressional Joint Committee on Taxation approving the Internal Revenue Service's audit of KU's income tax returns for the periods December 1999 through December 2003. As a result of resolving numerous tax matters during these periods, KU reduced income tax accruals by \$4.6 million during 2005.

Kentucky House Bill 272, also known as "Kentucky's Tax Modernization Plan", was signed into law in March 2005. This bill contains a number of changes in Kentucky's tax system, including the reduction of the

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Corporate income tax rate from 8.25% to 7% effective January 1, 2005, and a further reduction to 6% effective January 1, 2007. As a result of the income tax rate change, KU's deferred tax reserve amount will exceed its actual deferred tax liability attributable to existing temporary differences since the new statutory rates are lower than the rates were when the deferred tax liability originated. This excess amount is referred to as excess deferred income taxes. In June 2005, KU received approval from the Kentucky Commission to establish and amortize a regulatory liability (\$11.0 million) for its net excess deferred income tax balances. Under this accounting treatment, KU will amortize its depreciation-related excess deferred income tax balances under the average rate assumption method. The average rate assumption method matches the amortization of the excess deferred income taxes with the life of the timing differences to which they relate. Excess deferred income tax balances related to non-depreciation timing differences will be expensed in the current year due to their immaterial amount.

KU expects to have adequate levels of taxable income to realize its recorded deferred taxes.

Note 8 - Long-Term Debt

As of December 31, 2005, long-term debt and the current portion of long-term debt consist of first mortgage bonds, pollution control bonds and long-term loans from affiliated companies as summarized below.

(in millions)	Stated <u>Interest Rates</u>	<u>Maturities</u>	<u>Principal Amounts</u>
Outstanding at December 31, 2005:			
Noncurrent portion	Variable – 7.92%	2007-2035	\$623.5
Current portion	Variable – 5.99%	2006-2032	\$123.1
Outstanding at December 31, 2004:			
Noncurrent portion	Variable – 7.92%	2006-2032	\$564.1
Current portion	Variable	2005-2032	\$162.1

Under the provisions for KU's variable-rate pollution control bonds, Series 10, 12, 13, 14 and 15, the bonds are subject to tender for purchase at the option of the holder and to mandatory tender for purchase upon the occurrence of certain events, causing the bonds to be classified as current portion of long-term debt in the balance sheets. The average annualized interest rate for these bonds during 2005 and 2004 was 2.55% and 1.37%, respectively.

Pollution control series bonds are first mortgage bonds that have been issued by KU in connection with tax-exempt pollution control revenue bonds issued by various governmental entities, principally counties in Kentucky. A loan agreement obligates KU to make debt service payments to the county that equate to the debt service due from the county on the related pollution control revenue bonds. The county's debt is also secured by an equal amount of KU's first mortgage bonds (the pollution control series bonds) that are pledged to the trustee for the pollution control revenue bonds, and that match the terms and conditions of the county's debt, but require no payment of principal and interest unless KU defaults on the loan agreement.

Substantially all of KU's assets are pledged as security for its first mortgage bonds.

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Interest rate swaps are used to hedge KU's underlying debt obligations. These swaps hedge specific debt issuances and, consistent with management's designation, are accorded hedge accounting treatment. The swaps effectively convert fixed rate obligations on KU's first mortgage bonds Series P to variable-rate obligations. As of December 31, 2005 and 2004, KU had swaps with a combined notional value of \$53.0 million and \$103.0 million, respectively. See Note 4, Financial Instruments.

Redemptions and maturities of long-term debt for 2005, 2004 and 2003 are summarized below:

(\$ in millions)

<u>Year</u>	<u>Description</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Secured/Unsecured</u>	<u>Maturity</u>
2005	First mortgage bonds	\$50.0	7.55%	Secured	Jun 2025
2005	Due to Fidelity	\$75.0	2.29%	Secured	Dec 2005
2004	Pollution control bonds	\$ 4.8	Variable	Secured	Feb 2032
2004	Pollution control bonds	\$50.0	5.75%	Secured	Dec 2023
2003	First mortgage bonds	\$62.0	6.32%	Secured	Jun 2003
2003	First mortgage bonds	\$33.0	8.55%	Secured	May 2027

Issuances of long-term debt for 2005, 2004 and 2003 are summarized below:

(\$ in millions)

<u>Year</u>	<u>Description</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Secured/Unsecured</u>	<u>Maturity</u>
2005	Pollution control bonds	\$ 13.3	Variable	Secured	Jun 2035
2005	Pollution control bonds	\$ 13.3	Variable	Secured	Jun 2035
2005	Due to Fidelity	\$ 50.0	4.735%	Unsecured	Jul 2015
2005	Due to Fidelity	\$ 75.0	5.36%	Unsecured	Dec 2015
2004	Due to Fidelity	\$ 50.0	4.39%	Unsecured	Jan 2012
2004	Pollution control bonds	\$ 50.0	Variable	Secured	Oct 2034
2003	Due to Fidelity	\$100.0	4.55%	Unsecured	Apr 2013
2003	Due to Fidelity	\$ 75.0	5.31%	Secured	Aug 2013
2003	Due to Fidelity	\$ 33.0	4.24%	Secured	Nov 2010
2003	Due to Fidelity	\$ 75.0	2.29%	Secured	Dec 2005

In May 2005, KU repaid a \$26.7 million loan against the cash surrender value of life insurance policies.

In October 2005, KU redeemed all of its outstanding shares of preferred stock for \$40.8 million. KU paid \$101 per share for the 4.75% Series and \$102.939 per share for the 6.53% Series.

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Long-term debt maturities for KU are shown in the following table:

(in millions)	
2006	\$ 36.0
2007	55.0
2008	-
2009	-
2010	33.0
Thereafter	<u>622.6</u> (a)
Total	<u>\$746.6</u>

(a) Includes long-term debt of \$87.1 million classified as current liabilities because these bonds are subject to tender for purchase at the option of the holder and to mandatory tender for purchase upon the occurrence of certain events. Maturity dates for these bonds range from 2024 to 2032. KU does not expect to pay these amounts in 2006.

Note 9 - Notes Payable and Other Short-Term Obligations

KU participates in an intercompany money pool agreement wherein E.ON U.S. and/or LG&E make funds available to KU at market-based rates (based on an index of highly rated commercial paper issues) up to \$400.0 million.

(\$ in millions)	Total Money Pool Available	Amount Outstanding	Balance Available	Average Interest Rate
December 31, 2005	\$400.0	\$69.7	\$330.3	4.21%
December 31, 2004	\$400.0	\$34.8	\$365.2	2.22%

E.ON U.S. maintains a revolving credit facility totaling \$200.0 million with an affiliated company, E.ON North America, Inc., to ensure funding availability for the money pool. The balance outstanding on this facility at December 31, 2005 was \$104.7 million, leaving \$95.3 million available. At December 31, 2004, the facility totaled \$150.0 million with a balance of \$65.4 million outstanding, leaving \$84.6 million available.

Note 10 - Commitments and Contingencies

Operating Leases. KU leases office space, office equipment and vehicles and accounts for these leases as operating leases. In addition, KU reimburses LG&E for a portion of the lease expense paid by LG&E for KU's usage of office space leased by LG&E. Total lease expense for 2005, 2004 and 2003, was \$3.3 million, \$2.8 million and \$2.2 million, respectively.

Sale and Leaseback Transaction. KU is a participant in a sale and leaseback transaction involving its 62% interest in two jointly-owned CTs at KU's E.W. Brown generating station (Units 6 and 7). Commencing in December 1999, KU and LG&E entered into a tax-efficient, 18-year lease of the CTs. KU and LG&E have provided funds to fully defease the lease, and have executed an irrevocable notice to exercise an early purchase

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option contained in the lease after 15.5 years. The financial statement treatment of this transaction is no different than if KU had retained its ownership. The leasing transaction was entered into following receipt of required state and federal regulatory approvals.

In case of default under the lease, KU is obligated to pay to the lessor its share of certain fees or amounts. Primary events of default include loss or destruction of the CTs, failure to insure or maintain the CTs and unwinding of the transaction due to governmental actions. No events of default currently exist with respect to the lease. Upon any termination of the lease, whether by default or expiration of its term, title to the CTs reverts jointly to KU and LG&E.

At December 31, 2005, the maximum aggregate amount of default fees or amounts, which decrease over the term of the lease, was \$8.2 million, of which KU would be responsible for \$5.1 million (62%). KU has made arrangements with E.ON U.S., via guarantee and regulatory commitment, for E.ON U.S. to pay KU's full portion of any default fees or amounts.

Letter of Credit. KU has provided a letter of credit totaling \$0.8 million to support certain obligations related to barge unloading.

Purchased Power. KU has purchased power arrangements with OMU and OVEC. Under the OMU agreement, which could last through January 1, 2020, KU purchases all of the output of a 400-Mw (approximate) coal-fired generating station not required by OMU. The amount of purchased power available to KU during 2006-2010, which is expected to be approximately 7% of KU's total Kwh native load energy requirements, is dependent upon a number of factors including the OMU units' availability, maintenance schedules, fuel costs and OMU requirements. Payments are based on the total costs of the station allocated per terms of the OMU agreement. Included in the total costs is KU's proportionate share of debt service requirements on \$287.0 million of OMU bonds outstanding at December 31, 2005. The debt service is allocated to KU based on its annual allocated share of capacity, which averaged approximately 43% in 2005. KU does not guarantee the OMU bonds, or any requirements therein, in the event of default by OMU.

KU has a 20% equity ownership in EEI, which is accounted for on the equity method of accounting. Previously, KU was entitled to take 20% of the available capacity of the station under a pricing formula comparable to the cost of other power generated by KU. Such power equated to approximately 9% of KU's net generation system output in 2005. This contract governing the purchases from EEI terminated on December 31, 2005. Subsequent to December 31, 2005, EEI has sold power under general market-based pricing and terms. KU has not contracted with EEI for power under the new arrangements, but maintains its 20% ownership in the common stock of EEI. Replacement power for the EEI capacity has been largely provided by KU generation.

KU has an investment of 2.5% ownership in OVEC's common stock, which is accounted for on the cost method of accounting. KU is entitled to purchase 2.5% of OVEC's output, approximately 55 Mw of generation capacity. In April 2004, OVEC and its shareholders, including KU, entered into an Amended and Restated Inter-Company Power Agreement, to be effective beginning March 2006, upon the expiration of the current power contract among the parties. The parties received SEC approval under PUHCA 1935 of the Amended and Restated Inter-Company Power Agreement during February 2005.

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Future obligations for power purchases are shown in the following table:

(in millions)	
2006	\$ 24.2
2007	24.5
2008	23.3
2009	24.7
2010	24.9
Thereafter	<u>358.2</u>
Total	<u>\$479.8</u> (a)

(a) Represents future minimum payments under OVEC and OMU purchased power agreements through 2024.

Construction Program. KU had approximately \$120.2 million of commitments in connection with its construction program at December 31, 2005. Construction expenditures for the three-year period ending December 31, 2008, are estimated to total approximately \$1.5 billion, although all of this is not currently committed, including future expenditures related to the construction of Trimble County Unit 2 and the installation of FGDs at Ghent and Brown.

Environmental Matters. KU is subject to SO₂ and NO_x emission limits on its electric generating units pursuant to the Clean Air Act. KU met its Phase I SO₂ requirements primarily through installation of FGD equipment on Ghent Unit 1 and through the consumption of emission allowances granted under the Clean Air Act. KU's strategy for Phase II SO₂ reductions, which commenced January 1, 2000, has been to use accumulated emissions allowances to delay additional capital expenditures and will include fuel switching and the installation of additional FGDs as necessary. KU decided in December 2004 that additional FGDs will be necessary to maintain compliance with Phase II SO₂ reductions. Those installations are currently scheduled for completion in 2007-2009. KU met the initial NO_x emission requirements of the Act through installation of low-NO_x burner systems. KU's compliance plans are subject to many factors including developments in the emission allowance and fuel markets, future regulatory and legislative initiatives, and advances in clean air control technology. KU will continue to monitor these developments to ensure that its environmental obligations are met in the most efficient and cost-effective manner.

In September 1998, the EPA announced its final "NO_x SIP Call" rule requiring states to impose significant additional reductions in NO_x emissions by May 2003, in order to mitigate alleged ozone transport impacts on the Northeast region. The Commonwealth of Kentucky SIP, which was approved by the EPA on June 24, 2003, requires reductions in NO_x emissions from coal-fired generating units to the 0.15 lb./MMBtu level on a system-wide basis. In related proceedings in response to petitions filed by various Northeast states, in December 1999, the EPA issued a final rule pursuant to Section 126 of the Clean Air Act directing similar NO_x reductions from a number of specifically targeted generating units including all KU units in the eastern half of Kentucky. Additional petitions currently pending before the EPA may potentially result in rules encompassing KU's remaining generating units. As a result of appeals to both rules, the compliance date was extended to May 31, 2004. All KU generating units are in compliance with these NO_x emissions reduction rules.

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KU has added significant NOx controls to its generating units through the installation of SCR systems, advanced low-NOx burners and neural networks. The NOx controls project commenced in late 2000 with the controls being placed into operation prior to the 2004 summer ozone season. As of December 31, 2005, KU incurred total capital costs of approximately \$217.0 million to reduce its NOx emissions below the 0.15 lb./MMBtu level on a company-wide basis. In addition, KU will incur additional operating and maintenance costs in operating new NOx controls. KU believes its costs in this regard to be comparable to those of similarly situated utilities with like generation assets. KU anticipated that such capital and operating costs are the type of costs that are eligible for recovery from customers under its environmental surcharge mechanism and believed that a significant portion of such costs could be recovered. In April 2001, the Kentucky Commission granted recovery of these costs for KU.

On March 10, 2005, the EPA issued the final CAIR which requires substantial additional reductions in SO₂ and NOx emissions from electric generating units. The CAIR provides for a two-phased reduction program with Phase I reductions in NOx and SO₂ emissions in 2009 and 2010, respectively, and Phase II reductions in 2015. On March 15, 2005, the EPA issued a related regulation, the final CAMR, which requires substantial mercury reductions from electric generating units. CAMR also provides for a two-phased reduction, with the Phase I target in 2010 achieved as a "co-benefit" of the controls installed to meet CAIR. Additional control measures will be required to meet the Phase II target in 2018. Both CAIR and CAMR establish a cap and trade framework, in which a limit is set on total emissions and allowances can be bought or sold on the open market, to be used for compliance, unless the state chooses another approach.

In order to meet these new regulatory requirements, KU has implemented a plan for adding significant additional SO₂ controls to its generating units. Installation of additional SO₂ controls will proceed on a phased basis, with construction of controls (i.e., FGDs) having commenced in September 2005 and continuing through the final installation and operation in 2009. KU estimates that it will incur \$658.9 million in capital costs related to the construction of the FGDs to achieve compliance with current emission limits on a company-wide basis. In addition, KU will incur additional operating and maintenance costs in operating the new SO₂ controls.

KU is also monitoring several other air quality issues which may potentially impact coal-fired power plants, including EPA's revised air quality standards for ozone and particulate matter and measures to implement EPA's CAVR.

KU owns or formerly owned several properties that were used for company or company-predecessor operations, including MGP's, power production facilities and substations. While KU has completed a cleanup of one MGP site in 1995, and has conducted limited cleanups at other sites, evaluations of these types of properties generally have not identified issues of significance. With regard to these properties, KU is unaware of any imminent exposure or liability.

In October 1999, approximately 38,000 gallons of diesel fuel leaked from a cracked valve in an underground pipeline at KU's E.W. Brown Station. KU commenced immediate spill containment and recovery measures which continued under the oversight of the EPA and state officials and prevented the spill from reaching the Kentucky River. KU ultimately recovered approximately 34,000 gallons of diesel fuel. In November 1999, the Kentucky Division of Water issued a notice of violation for the incident. KU has resolved all outstanding issues

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for this incident with the Commonwealth of Kentucky. KU incurred spill response and cleanup costs of approximately \$1.8 million and received insurance reimbursement of \$1.2 million. In December 2002, the DOJ demanded a civil penalty to resolve alleged violations relating to the spill and failure to timely submit a facility response plan. After extensive negotiations between KU, the EPA and the DOJ, the government entered into a consent decree resolving all alleged violations. Under the terms of the settlement, KU is required to pay a civil penalty of \$0.2 million (which has been accrued), construct a supplemental environmental project at a cost of \$0.8 million, and maintain that project for ten years at a cost of \$0.4 million. The consent decree was entered by the judge of the U.S. District Court for the Eastern District of Kentucky on December 23, 2005.

In April 2002, the EPA sent correspondence to KU and other potentially responsible parties demanding recovery of remediation costs associated with a transformer scrap-yard, with such cost currently being in excess of \$1.7 million. The Kentucky Division of Waste Management subsequently demanded additional cleanup measures at the site. KU and the other potentially responsible parties have entered into settlement discussions with the EPA and the Kentucky Division of Waste Management in an effort to resolve this matter.

In January 2005, approximately 1,000 gallons of fuel oil leaked from a cracked weld in a storage tank at KU's Green River Generating Station. KU commenced immediate spill containment, recovery and remediation actions and has received satisfactory inspections from state regulators to date. The cost related to the cleanup of the oil spill was less than \$0.2 million and no penalties or fines are anticipated.

Note 11 – Jointly Owned Electric Utility Plant

LG&E and KU jointly own the following combustion turbines:

(\$ in millions)		<u>LG&E</u>	<u>KU</u>	<u>Total</u>
Paddy's Run 13	Ownership %	53%	47%	100%
	Mw capacity	84	74	158
	Cost	\$34.0	\$30.1	\$64.1
	Depreciation	<u>(5.2)</u>	<u>(4.6)</u>	<u>(9.8)</u>
	Net book value	<u>\$28.8</u>	<u>\$25.5</u>	<u>\$54.3</u>
E.W. Brown 5	Ownership %	53%	47%	100%
	Mw capacity	62	55	117
	Cost	\$24.0	\$20.2	\$44.2
	Depreciation	<u>(3.5)</u>	<u>(3.0)</u>	<u>(6.5)</u>
	Net book value	<u>\$20.5</u>	<u>\$17.2</u>	<u>\$37.7</u>
E.W. Brown 6	Ownership %	38%	62%	100%
	Mw capacity	59	95	154
	Cost	\$25.3	\$38.9	\$64.2
	Depreciation	<u>(4.2)</u>	<u>(7.9)</u>	<u>(12.1)</u>
	Net book value	<u>\$21.1</u>	<u>\$31.0</u>	<u>\$ 52.1</u>

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E.W. Brown 7	Ownership %	38%	62%	100%
	Mw capacity	59	95	154
	Cost	\$24.9	\$39.7	\$ 64.6
	Depreciation	<u>(6.4)</u>	<u>(8.2)</u>	<u>(14.6)</u>
	Net book value	<u>\$18.5</u>	<u>\$31.5</u>	<u>\$ 50.0</u>
Trimble 5	Ownership %	29%	71%	100%
	Mw capacity	46	114	160
	Cost	\$16.4	\$39.7	\$56.1
	Depreciation	<u>(1.9)</u>	<u>(4.7)</u>	<u>(6.6)</u>
	Net book value	<u>\$14.5</u>	<u>\$35.0</u>	<u>\$49.5</u>
Trimble 6	Ownership %	29%	71%	100%
	Mw capacity	46	114	160
	Cost	\$16.2	\$39.7	\$55.9
	Depreciation	<u>(1.9)</u>	<u>(4.7)</u>	<u>(6.6)</u>
	Net book value	<u>\$14.3</u>	<u>\$35.0</u>	<u>\$49.3</u>
Trimble 7	Ownership %	37%	63%	100%
	Mw capacity	59	101	160
	Cost	\$19.3	\$33.3	\$52.6
	Depreciation	<u>(1.0)</u>	<u>(1.7)</u>	<u>(2.7)</u>
	Net book value	<u>\$18.3</u>	<u>\$31.6</u>	<u>\$49.9</u>
Trimble 8	Ownership %	37%	63%	100%
	Mw capacity	59	101	160
	Cost	\$19.2	\$32.8	\$52.0
	Depreciation	<u>(1.0)</u>	<u>(1.7)</u>	<u>(2.7)</u>
	Net book value	<u>\$18.2</u>	<u>\$31.1</u>	<u>\$49.3</u>
Trimble 9	Ownership %	37%	63%	100%
	Mw capacity	59	101	160
	Cost	\$19.2	\$32.8	\$52.0
	Depreciation	<u>(1.0)</u>	<u>(1.6)</u>	<u>(2.6)</u>
	Net book value	<u>\$18.2</u>	<u>\$31.2</u>	<u>\$49.4</u>
Trimble 10	Ownership %	37%	63%	100%
	Mw capacity	59	101	160
	Cost	\$19.1	\$32.8	\$51.9
	Depreciation	<u>(0.9)</u>	<u>(1.6)</u>	<u>(2.5)</u>
	Net book value	<u>\$18.2</u>	<u>\$31.2</u>	<u>\$49.4</u>
Trimble CT Pipeline	Ownership %	29%	71%	100%
	Cost	\$2.0	\$4.9	\$6.9
	Depreciation	<u>(0.2)</u>	<u>(0.6)</u>	<u>(0.8)</u>
	Net book value	<u>\$ 1.8</u>	<u>\$ 4.3</u>	<u>\$ 6.1</u>
Trimble CT Substation 5 & 6	Ownership %	29%	71%	100%
	Cost	\$1.5	\$3.6	\$5.1
	Depreciation	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.4)</u>
	Net book value	<u>\$ 1.4</u>	<u>\$ 3.3</u>	<u>\$ 4.7</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Trimble CT Substation	Ownership %	37%	63%	100%
7 - 10	Cost	\$3.1	\$4.9	\$8.0
	Depreciation	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.3)</u>
	Net book value	<u>\$ 3.0</u>	<u>\$ 4.7</u>	<u>\$ 7.7</u>

In addition to these generating units, KU and LG&E share joint ownership in the Brown Inlet Air Cooling system. KU owns 90% of the system, attributable to Brown Unit 5 and Units 8-11, which provides an additional 88 Mw of capacity.

Note 12 - Related Party Transactions

KU, subsidiaries of E.ON U.S. and other subsidiaries of E.ON engage in related party transactions. Transactions between KU and its subsidiary KU R are eliminated upon consolidation with KU. Transactions between KU and E.ON U.S. subsidiaries are eliminated upon consolidation of E.ON U.S. Transactions between KU and E.ON subsidiaries are eliminated upon consolidation of E.ON. These transactions are generally performed at cost and are in accordance with the prior SEC regulations under PUHCA 1935 and the applicable FERC, Kentucky Commission and Virginia Commission regulations. Amounts payable to and receivable from related parties are netted and presented as accounts payable to affiliated companies on the balance sheet of KU, as allowed due to the right of offset. Obligations related to intercompany debt arrangements with E.ON U.S. and Fidelity are presented as separate line items on the balance sheet, as appropriate. The significant related party transactions are disclosed below.

Electric Purchases

KU and LG&E purchase energy from each other in order to effectively manage the load of their retail and off-system customers. In addition, KU sells energy to LEM, a subsidiary of E.ON U.S. These sales and purchases are included in the Statements of Income as Electric Operating Revenues and Purchased Power Operating Expense. KU intercompany electric revenues and purchased power expense for the years ended December 31, 2005, 2004 and 2003 were as follows:

(in millions)	<u>2005</u>	<u>2004</u>	<u>2003</u>
Electric operating revenues from LG&E	\$95.5	\$61.7	\$46.7
Electric operating revenues from LEM	-	0.2	2.4
Purchased power from LG&E	91.6	58.7	53.7

Interest Charges

See Note 9, Notes Payable and Other Short-Term Obligations, for details of intercompany borrowing arrangements. Intercompany agreements do not require interest payments for receivables related to services provided when settled within 30 days.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

KU's intercompany interest income and expense for the years ended December 31, 2005, 2004 and 2003 were as follows:

(in millions)	<u>2005</u>	<u>2004</u>	<u>2003</u>
Interest on money pool loans	\$ 1.0	\$0.4	\$1.2
Interest on Fidelity loans	15.0	13.8	4.7

Other Intercompany Billings

E.ON U.S. Services provides KU with a variety of centralized administrative, management and support services. These charges include payroll taxes paid by E.ON U.S. on behalf of KU, labor and burdens of E.ON U.S. Services employees performing services for KU and vouchers paid by E.ON U.S. Services on behalf of KU. The cost of these services are directly charged to KU, or for general costs which cannot be directly attributed, charged based on predetermined allocation factors, including the following ratios: number of customers, total assets, revenues, number of employees and other statistical information. These costs are charged on an actual cost basis.

In addition, KU and LG&E provide services to each other and to E.ON U.S. Services. Billings between LG&E and KU relate to labor and overheads associated with union employees performing work for the other utility, charges related to jointly-owned combustion turbines, and other miscellaneous charges. Billings from KU to E.ON U.S. Services related to information technology-related services provided by KU employees, cash received by E.ON U.S. Services on behalf of KU and services provided by KU to other non-regulated businesses which are paid through E.ON U.S. Services.

Intercompany billings to and from KU for the years ended December 31, 2005, 2004 and 2003 were as follows:

(in millions)	<u>2005</u>	<u>2004</u>	<u>2003</u>
E.ON U.S. Services billings to KU	\$184.9	\$170.6	\$202.5
KU billings to LG&E	28.6	7.2	16.6
LG&E billings to KU	100.5	59.5	77.2
KU billings to E.ON U.S. Services	7.2	5.0	16.1

The increase in 2005 billings between LG&E and KU is largely due to the increase in the unit cost of purchased power resulting from the 2005 increases in fuel costs.

Note 13 - Notes to Statement of Cash Flows

Supplemental disclosures of cash flow information:

(in millions)	<u>2005</u>	<u>2004</u>
Cash paid during the year for:		
Income taxes	\$59.3	\$58.2
Interest on borrowed money	11.7	15.6
Interest to affiliated companies on borrowed money	14.6	13.2

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Note 14 – Subsequent Events

On January 17, 2006, KU repaid its \$36.0 million First Mortgage Bonds, Series S at maturity.

On February 27, 2006, the AG, KIUC, LG&E and KU reached a settlement agreement on the future ratemaking treatment of the VDT surcredits and costs and subsequently submitted a joint motion to the Kentucky Commission to approve the unanimous settlement agreement. Under the terms of the settlement agreement, the VDT surcredit will continue at the current level until such time as KU files for a change in electric base rates. The Kentucky Commission held a public hearing in the proceeding on March 21, 2006 and issued an order on March 24, 2006 approving the settlement agreement.

On March 17, 2006, the FERC issued an order conditionally approving the request of KU and LGE to exit the MISO.

The Companies must satisfy a number of conditions to effect their exit from the MISO including:

Submission of various compliance filings addressing:

- the Companies' hold-harmless obligations under the MISO Transmission Owners' Agreement, and the amount of the MISO exit fee to be paid by the Companies as calculated under the approved methodology;
- the Companies' anticipated arrangements with SPP and TVA, including revisions to address certain independence and transmission planning considerations, and reciprocity arrangements to ensure certain KU requirements customers do not incur pancaked rates for transmission and ancillary services;
- the Companies' proposed OATT, as revised to address possible capacity hoarding, available transmission calculation methodology, curtailment priority and pricing, among other matters; and
- the Companies' finalized arrangements with the SPP and TVA.

The Companies must also file an application of the proposed OATT under Section 205 of the Federal Power Act including a proposed return on equity.

While KU and LG&E believe they can reasonably achieve all of the conditions imposed by the FERC order, completion of a number of the conditions is dependent upon the actions or agreement of third parties. There is also a risk that the FERC decision will be challenged by intervenors with a request for rehearing, which could happen within 30 days of the decision. The Companies are currently unable to estimate the time period, if any, in which the conditions of the FERC order might be satisfied, the Companies might receive Kentucky Commission approval and, thereafter, exit the MISO.

On March 31, 2006 the Kentucky Commission issued an order denying the AG's request to change the calculation of state income taxes used for the rate increase; therefore, no change will be made to KU's initial rate increase. Although this order has resolved this issue on rehearing, the initial rate increase order could be subject to judicial appeal.

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On March 30, 2006, the Virginia Commission approved KU's request to increase its fuel cost factor to reflect higher fuel costs incurred during 2005 and anticipated to be incurred in 2006. The Virginia Commission will subsequently issue a written order.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	3,649,746,811	3,649,746,811		
4	Property Under Capital Leases				
5	Plant Purchased or Sold	115,138	115,138		
6	Completed Construction not Classified				
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	3,649,861,949	3,649,861,949		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	197,024,858	197,024,858		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	3,846,886,807	3,846,886,807		
14	Accum Prov for Depr, Amort, & Depl	1,789,102,820	1,789,102,820		
15	Net Utility Plant (13 less 14)	2,057,783,987	2,057,783,987		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	1,775,631,754	1,775,631,754		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	13,471,066	13,471,066		
22	Total In Service (18 thru 21)	1,789,102,820	1,789,102,820		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,789,102,820	1,789,102,820		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
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Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
<p>1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.</p> <p>2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.</p>					
Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year		
			Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication				
3	Nuclear Materials				
4	Allowance for Funds Used during Construction				
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)				
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)				
10	SUBTOTAL (Total 8 & 9)				
11	Spent Nuclear Fuel (120.4)				
12	Nuclear Fuel Under Capital Leases (120.6)				
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)				
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)				
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote):				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)						
Changes during Year						
Amortization (d)	Other Reductions (Explain in a footnote) (e)				Balance End of Year (f)	Line No.
					1	
					2	
					3	
					4	
					5	
					6	
					7	
					8	
					9	
					10	
					11	
					12	
					13	
					14	
					15	
					16	
					17	
					18	
					19	
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					21	
					22	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization	44,456		
3	(302) Franchises and Consents	83,453		
4	(303) Miscellaneous Intangible Plant	21,015,366	5,885,466	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	21,143,275	5,885,466	
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights	10,478,525		
9	(311) Structures and Improvements	157,676,501	970,910	
10	(312) Boiler Plant Equipment	1,009,512,072	28,179,604	
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units	200,884,728	8,047,875	
13	(315) Accessory Electric Equipment	81,006,272	394,173	
14	(316) Misc. Power Plant Equipment	22,704,285	503,073	
15	(317) Asset Retirement Costs for Steam Production	8,533,371	715,739	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,490,795,754	38,811,374	
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights	892,791		
28	(331) Structures and Improvements	497,428	23,670	
29	(332) Reservoirs, Dams, and Waterways	8,278,598		
30	(333) Water Wheels, Turbines, and Generators	532,629	1,993	
31	(334) Accessory Electric Equipment	349,869		
32	(335) Misc. Power PLant Equipment	169,751		
33	(336) Roads, Railroads, and Bridges	48,146		
34	(337) Asset Retirement Costs for Hydraulic Production		4,970	
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	10,769,212	30,633	
36	D. Other Production Plant			
37	(340) Land and Land Rights	294,924		
38	(341) Structures and Improvements	35,717,419	95,380	
39	(342) Fuel Holders, Products, and Accessories	20,625,887	388,234	
40	(343) Prime Movers	331,857,628	64,855	
41	(344) Generators	59,334,142		
42	(345) Accessory Electric Equipment	30,952,419		
43	(346) Misc. Power Plant Equipment	5,133,372	34,772	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
44	(347) Asset Retirement Costs for Other Production	70,990		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	483,986,781	583,241	
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,985,551,747	39,425,248	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	24,503,798	545	
49	(352) Structures and Improvements	7,946,443	31,511	
50	(353) Station Equipment	181,820,721	4,984,742	
51	(354) Towers and Fixtures	63,562,951	1,604	
52	(355) Poles and Fixtures	83,015,936	5,874,998	
53	(356) Overhead Conductors and Devices	127,359,832	1,827,620	
54	(357) Underground Conduit	448,760		
55	(358) Underground Conductors and Devices	1,114,762		
56	(359) Roads and Trails			
57	(359.1) Asset Retirement Costs for Transmission Plant	3,600	7,427	
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	489,776,803	12,728,447	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	3,211,023	31,404	
61	(361) Structures and Improvements	4,143,981	146,726	
62	(362) Station Equipment	97,702,180	3,469,568	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	182,443,463	5,056,423	
65	(365) Overhead Conductors and Devices	174,313,068	2,567,513	
66	(366) Underground Conduit	1,722,324	26,268	
67	(367) Underground Conductors and Devices	64,185,277	4,007,547	
68	(368) Line Transformers	224,425,610	415,193	
69	(369) Services	83,084,062		
70	(370) Meters	63,586,399	206,937	
71	(371) Installations on Customer Premises	18,267,899		
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	52,927,492	397,359	
74	(374) Asset Retirement Costs for Distribution Plant		18,610	
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	970,012,778	16,343,548	
76	5. GENERAL PLANT			
77	(389) Land and Land Rights	2,811,100		
78	(390) Structures and Improvements	31,355,035	1,228,991	
79	(391) Office Furniture and Equipment	24,139,929	4,700,707	
80	(392) Transportation Equipment	23,738,711	95,984	
81	(393) Stores Equipment	647,921	118,483	
82	(394) Tools, Shop and Garage Equipment	4,921,199	289,715	
83	(395) Laboratory Equipment	3,256,282		
84	(396) Power Operated Equipment	289,594	11,308	
85	(397) Communication Equipment	13,152,305	2,189,341	
86	(398) Miscellaneous Equipment	369,543	2,544	
87	SUBTOTAL (Enter Total of lines 77 thru 86)	104,681,619	8,637,073	
88	(399) Other Tangible Property			
89	(399.1) Asset Retirement Costs for General Plant			
90	TOTAL General Plant (Enter Total of lines 87, 88 and 89)	104,681,619	8,637,073	
91	TOTAL (Accounts 101 and 106)	3,571,166,222	83,019,782	
92	(102) Electric Plant Purchased (See Instr. 8)			
93	(Less) (102) Electric Plant Sold (See Instr. 8)		-115,138	
94	(103) Experimental Plant Unclassified			
95	TOTAL Electric Plant in Service (Enter Total of lines 91 thru 94)	3,571,166,222	83,134,920	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.					
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.					
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.					
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			44,456		2
			83,453		3
			26,900,832		4
			27,028,741		5
					6
					7
			10,478,525		8
			158,647,411		9
2,723,301			1,034,968,375		10
					11
771,200			208,161,403		12
			81,400,445		13
			23,207,358		14
			9,249,110		15
3,494,501			1,526,112,627		16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
13,479			879,312		27
67,902			453,196		28
324,146			7,954,452		29
114,086			420,536		30
264,486			85,383		31
68,239			101,512		32
1,170			46,976		33
			4,970		34
853,508			9,946,337		35
					36
			294,924		37
			35,812,799		38
			21,014,121		39
			331,922,483		40
			59,334,142		41
			30,952,419		42
			5,168,144		43

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			70,990		44
			484,570,022		45
4,348,009			2,020,628,986		46
					47
361			24,503,982		48
2,062			7,975,892		49
79,468			186,725,995		50
			63,564,555		51
4,313			88,886,621		52
4,980			129,182,472		53
			448,760		54
			1,114,762		55
					56
			11,027		57
91,184			502,414,066		58
					59
			3,242,427		60
			4,290,707		61
			101,171,748		62
					63
			187,499,886		64
			176,880,581		65
			1,748,592		66
			68,192,824		67
			224,840,803		68
			83,084,062		69
			63,793,336		70
			18,267,899		71
					72
			53,324,851		73
			18,610		74
			986,356,326		75
					76
			2,811,100		77
			32,584,026		78
			28,840,636		79
			23,834,695		80
			766,404		81
			5,210,914		82
			3,256,282		83
			300,902		84
			15,341,646		85
			372,087		86
			113,318,692		87
					88
					89
			113,318,692		90
4,439,193			3,649,746,811		91
					92
			-115,138		93
					94
4,439,193			3,649,861,949		95

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 93 Column: c

A hydroelectric generating facility near Shakertown, Kentucky was sold to Lock 7 Partners, LLC in December 2005. The proposed journal entries were filed with the FERC in a letter dated March 10, 2006.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
ELECTRIC PLANT LEASED TO OTHERS (Account 104)					
Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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32					
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35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)					
1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.					
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.					
Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Other Property:				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47	Total				0

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	STEAM PRODUCTION			
2	GH3 FGD			21,080,917
3	TRIMBLE COUNTY 2 KU			5,178,495
4	BR 3 CONTROLS UPGR 04-06			2,959,629
5	BR3 SH PLATEN/HDR REPL 04-05			2,205,163
6	BR3 FIRE - DCS REPL 2005			1,905,728
7	GH3 CONTROLS MODERNIZATION			1,819,766
8	GHENT SO2 COMMON			1,811,041
9	KU SOX COMMON			1,776,456
10	BR ASH POND EXP			1,675,905
11	BR3 EXCITER RTR RWIND 05			1,106,825
12	BR FIRE MED VOLTAGE SWITCHGEAR REPL			864,754
13	GR FUEL OIL TANK			801,726
14	GH4 CONTROLS MODERNATION			765,534
15	BR1 VACUUM BRKR CONV 04-05			727,419
16	GH4 CT CELL REBUILD 05			712,252
17	GH2 CONTROLS MODERNIZATION			701,687
18	BR2 RETAINING RING REPL			572,703
19	BR3 FIRE SWITCHGEAR REPL			498,423
20	GH1 GENERATOR REWEDGE 05			396,123
21	GH3 ECON OUTLET DUCT EXP JOINT			380,098
22	GH1 UNDER TURBINE FIRE PRODUCTION 04			371,204
23	GH3 CT CELL REBUILD 05			365,408
24	GH3 ESP BELLINE UPGRADE - ECR			322,192
25	GH1 CELL REBUILD 05			307,407
26	GH3 FEEDWATER HEATER REPL 05			279,197
27	GH HYDROGEN GENERATOR 05			276,032
28	GH BU BKT/CHAIN REPL 05			272,354
29	GH1 CONTROLS MODERNIZATION			270,710
30	GH CONVEYOR BELT REPL 06			256,083
31	BR CY DUST CNTRL SYS REPL 04			246,089
32	BR3 LOWER SLOPE TUBE REPL			233,526
33	TY3 2.3 KV BUS REBUILD 05-06			195,134
34	GH BARGE MOORING CELL REBUILD 05			190,208
35	TY 5-3 PULV EL CONV 05			177,846
36	BR3 TURBINE SEALS 05			176,292
37	GH 2 GENERATOR REWEDGE 05			172,946
38	GH2 BOILER SH DIV PANEL 1 04			172,860
39	KGN BARCODING 2005			172,786
40	BR3-1 SB AIR COMP REPL 05			162,068
41	BR3 SB AIR COMP REPL 05			162,068
42	TY3 5-2 PULV EL CONV 05			150,606
43	TOTAL			197,024,858

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	GH CONVEYOR BELT REPL 05	147,256		
2	CEM SHELTER UPGRADES - KU	142,683		
3	GH2 ESP AVC UPGRADE 05	127,818		
4	KGN SAFETY TAGGING SYSTEM	126,148		
5	GH COAL CONV FIRE PROTECTOR 05	124,352		
6	GH3 HEATER NOZZLE TRAY REPL	106,728		
7	STEAM PRODUCTION MINOR PROJECTS	2,108,397		
8				
9	HYDRAULIC PRODUCTION			
10	DX JOHNSON VIV REPL 05	403,923		
11	HYDRAULIC POWER MINOR PROJECTS	1,423		
12				
13	OTHER PRODUCTION			
14	BR CT8 C INSPECTION	6,305,599		
15	CT6C INSPECTION KU	3,780,390		
16	CT7 C INSPECTION 05	3,472,676		
17	CT8 VANE 4 REPL 05-06	836,081		
18	CT11 VANE 4 REPL 05-06	748,229		
19	CT10 STAGE 4 VANE REPL 06	747,769		
20	CT GT DEMIN POLISHER 05	720,245		
21	TC CT7 CONSTRUCTION KU	702,320		
22	CT9 VANE 4 REPL 05-06	646,453		
23	TC CT SUBSTATION KU	578,116		
24	TC CT 10 CONSTRUCTION KU	290,296		
25	TC CT9 CONSTRUCTION KU	289,973		
26	TC CT8 CONSTRUCTION KU	289,707		
27	OTHER PRODUCTION MINOR PROJECTS	58,966		
28				
29	TRANSMISSION			
30	PRIORITY REPL T-LINES PWO	1,162,305		
31	TRIMBLE 2 TRANS PROJECTS KU	1,041,367		
32	EKPC AVON-RENAKER TO PARIS SUBSTATION 138 KV TRANSMISSION L	900,325		
33	RECON OHIO CO-ROSINE	823,816		
34	STORM DAMAGE T-LINE PWO	795,488		
35	ROCKY BR-POCKET 69 KV HWY RELOC	758,537		
36	EMS CONSOLIDATION KU	738,049		
37	RELOCATIONS TRANS LINES	510,830		
38	ELIHU SEWELLTON P-2 POLES	452,763		
39	ELIHU-SOMERSET NORTH 69 KV	394,910		
40	RODBURN 138-69KV, 60 MVA	372,811		
41	PARAMETER UPGRADE T LINE PWO	328,578		
42	HWY 52 RELOCATION RICHMOND	303,955		
43	TOTAL	197,024,858		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	CONTROLLER KU	289,962		
2	2005 KU RTU PURCHASES	270,273		
3	PARIS SUBSTATION 138-69 KV TRANSFORMER ADDITION	261,018		
4	NEW FACILITIES TRANS LINE PWO	255,046		
5	2005 P2 GRP GRS 138	247,655		
6	OSI SERVERS	227,093		
7	VIRGINIA CITY 138/69 KV TRANSFORMER ADDITION	221,078		
8	LAKE REBA TO THE BEREA TAP 69 KV PARAMETER	214,969		
9	LEITCHFIELD E 69 KV 14.4 MVAR CAP	175,242		
10	KT MISC CAPITAL EXPENDITURES	167,091		
11	UK MED CTR 69 BKR CHANGE	154,725		
12	MILLER-MURPHYS 69 KV P2S	147,589		
13	BOONE AVE 69 KV 30MVAR CAP	144,257		
14	SPCC MODS - KU TRANSMISSION	135,900		
15	ARNOLD - DORCHESTER 161 KV A&G COAL RELOCATION	133,729		
16	VIDEO DISPLAY MONITORS	132,617		
17	LYNCH TO IMBODEN A&G RELO PHASE 3 STRUCTURE 18	131,268		
18	GRPP 138KV BKRS (4) REPL	124,010		
19	VIRGINIA CITY - CLINCH RIVER 138 KV	121,806		
20	SCOTT COUNTY NOISE BARRIER	111,691		
21	PITTSBURG TO LANCASTER 69 KV BERNSTADT SUB	107,651		
22	FAWKES TO THE RICHMOND SOUTH TAP 69 KV PARAMETERS	107,218		
23	TRANSMISSION MINOR PROJECTS	3,449,413		
24				
25	DISTRIBUTION			
26	DIST LINE TRANSFORMER	9,966,730		
27	NEW BUS RESID OVHD LEXINGTON	4,387,019		
28	NEW BUS RESID OVHD EARLINGTON	3,251,494		
29	NEW BUS SERV UG LEXINGTON	2,994,326		
30	PURCHASE OF METERS	2,438,372		
31	NEW BUS RESID OVHD NORTON	2,399,447		
32	KU SUB SPILL PREVENTION	2,077,806		
33	STREET LIGHTING 315	1,624,698		
34	NEW BUS COMM-UG-LEXINGTON	1,262,567		
35	NEW BUS COMM-OVHD-LEXINGTON	1,260,497		
36	NEW BUS SUBD-UG-SHELBYVILLE	1,200,124		
37	NEW BUS SERV-UG-RICHMOND	1,034,538		
38	OUTDOOR LIGHTING 315	928,749		
39	NEW BUS SUBD-UG-LEXINGTON	924,062		
40	NEW ELECT SERV-OVHD-LEXINGTON	914,956		
41	NEW BUS SERV-UG-ETOWN	894,258		
42	KU104 DIST CAP INSTALLATIONS	884,264		
43	TOTAL	197,024,858		

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	NEW BUS COMM-OVHD-RICHMOND	851,862		
2	NEW BUS RESID-OVHD-DANVILLE	822,802		
3	NEW BUS RESID-OVHD-PINEVILLE	818,697		
4	NEW BUS COMM-OVHD-MAYSVILLE	800,525		
5	NEW BUS RESID-UG-DANVILLE	794,645		
6	REP DEF EQUIP-OH-LEXINGTON	739,838		
7	NEW BUS SERV-UG-SHELBYVILLE	722,590		
8	NEW BUS RESID-UG-SHELBYVILLE	715,653		
9	STREET LIGHTING 236	714,519		
10	NEW BUS RESID-UG-MAYSVILLE	709,288		
11	NEW ELECT SERV-OVHD-EARLINGTON	705,427		
12	NEW BUS RESID-OVHD SHELBYVILLE	690,503		
13	NEW ELECT SERVICES-OVERHEAD	678,243		
14	NEW BUS SERV-UG-MAYSVILLE	671,353		
15	NEW BUS SERV-UG-EARLINGTON	659,422		
16	NEW BUS SERV-UG-DANVILLE	647,699		
17	NEW BUS COMM-OVHD-EARLINGTON	638,677		
18	NEW BUS RESID-OVHD-ETOWN	626,531		
19	NEW BUS RESID-OVHD-LONDON	601,749		
20	NEW BUS SUBD-UG-RICHMOND	600,731		
21	2005 KU DIST PF CORRECTION	591,048		
22	STREET LIGHTING 366	572,027		
23	STREET LIGHTING 246	565,681		
24	RELOCATIONS CUST REQUEST 315	548,552		
25	REP DEF EQUIP-OH-EARLINGTON	537,855		
26	NEW ELECT SERV-OVHD-PINEVILLE	534,912		
27	RP KU SUB TRANSFORMERS 2005	534,456		
28	NEW ELECT SERV-OVHD-NORTON	533,490		
29	KU STORM 11/15/05	529,971		
30	UPGRADE WINCH WATER WORKS 2004	528,294		
31	NEW BUS COMM-OVHD-NORTON	512,549		
32	INSTALL SUB GEORGETOWN 2004	498,503		
33	NEW BUS COMM-OVHD-DANVILLE	495,722		
34	NEW BUS RESID-OVHD-RICHMOND	492,510		
35	NEW BUS COMM-OVHD-LONDON	473,283		
36	NEW ELECT SERV-OVHD-MAYSVILLE	469,334		
37	NEW BUS COMM-OVHD ETOWN	468,088		
38	REP THIRD PARTY DAM 315	462,392		
39	NEW BUS RESID-UG-EARLINGTON	461,523		
40	NEW ELECTRIC SERV-OVERHEAD	459,827		
41	NEW BUS RESID-UG-RICHMOND	447,104		
42	NEW BUS SUBD-UG-ETOWN	444,058		
43	TOTAL	197,024,858		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	POLE REPAIR/REPLACEMENT 246	443,900		
2	TRANSFORMER 315	441,470		
3	NEW ELECT SERV-OVHD-DANVILLE	435,598		
4	NEW BUS COMM-UG-DANVILLE	421,670		
5	NEW BUS COMM-OVHD-SHELBYVILLE	420,116		
6	REP DEF EQUIP-UG-LEXINGTON	413,657		
7	NEW BUS SERV-UG-NORTON	410,870		
8	NEW UNIV OF KY SUB 2003	406,306		
9	STREET LIGHTING 156	401,576		
10	INST SIMPSONVILLE AREA SUB	398,984		
11	SYS ENHAN-EXISTING CUST-LEX	391,326		
12	NEW BUSINESS RE 216	388,494		
13	NEW BUS RESID-UG-ETOWN	385,504		
14	NEW ELECT SERV-OVHD-SHELYVILLE	383,477		
15	NEW BUS SERV-UG-LONDON	383,064		
16	SYS ENHAN-EXIST CUST-PINEVILLE	376,204		
17	TRANSFORMER LABOR 236	375,806		
18	SYS ENHANC-EXIST CUST-EARLINGTON	375,555		
19	CIR HAND RELIAB OH 011560	370,875		
20	NEW BUS COMM-UG-MAYSVILLE	360,782		
21	POLE REPAIR/REPLACEMENT 315	359,248		
22	STREET LIGHTING 426	351,222		
23	CONSTRUCT NEW BEDFORD SUB	349,479		
24	STREET LIGHTING 766	347,981		
25	NEW BUS COMM-UG-LONDON	337,249		
26	STREET LIGHTING 216	335,755		
27	POLE REPAIR/REPLACEMENT 256	328,926		
28	STREET LIGHTING 256	323,865		
29	NEW BUS COMM-UG-ETOWN	322,373		
30	STREET LIGHTING 416	318,086		
31	NEW BUS RESID-UG-NORTON	317,729		
32	NEW BUS RESID-UG-LONDON	312,416		
33	REP DEF EQUI-OH-SHELBYVILLE	311,247		
34	NEW BUS IND-OVHD-DANVILLE	306,435		
35	SMT KY1577 MONTICELLO ST	304,541		
36	TATES CREEK RD HIGHWAY PROJ RIC	299,288		
37	NEW BUS SUBD-OVHD-ETOWN	294,845		
38	REP REPL DEF ST LIGHTS 236	286,191		
39	SCM2004 CENTRAL SUB MISC DIST	283,867		
40	NEW BUS COMM-OVHD-PINEVILLE	281,730		
41	NEW BUS COMM-UG-NORTON	277,282		
42	RELOCATIONS CUST REQUEST 216	274,513		
43	TOTAL	197,024,858		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	NEW BUS IND-UG-ETOWN	272,353		
2	UFLS KU CO 2004 2005	271,541		
3	NEW BUS COMM-UG-SHELBYVILLE	266,356		
4	TROUBLE ORDERS OH 012560	266,340		
5	TROUBLE ORDERS OH 012460	266,022		
6	REP DEF EQUIP-OH-RICHMOND	262,345		
7	DIST RELIABILITY 156	261,196		
8	RELOCATIONS CUST REQUEST 256	257,949		
9	REP DEF EQUIP-OH-DANVILLE	256,095		
10	NEW BUS SERV-UG-PINEVILLE	254,382		
11	SYS ENH-NEW CUST-RICHMOND	252,847		
12	CIR HARD RELIAB OH 013150	252,244		
13	REP THIRD PARTY DAM 236	242,070		
14	SCM2005 CENT SUB MISC	241,618		
15	RP KU SUB TRANSFORMERS 2004	229,162		
16	SYS ENHAN-EXIST CUST-DANVILLE	228,381		
17	WIN: WINCHESTER BYPASS	222,217		
18	REP REPL ST LIGHTS 315	220,012		
19	OUTDOOR LIGHTING 216	218,191		
20	NEW BUS SUBD-OVHD-RICHMOND	215,439		
21	KU STORMS 7/13/04	214,215		
22	NEW ELECT SERV-OVHD-LONDON	214,178		
23	TROUBLE ORDERS 156	211,097		
24	POLE REPAIR/REPLACEMENT 156	210,360		
25	HIGHWAY 52 RELOCATION	209,201		
26	TRANSFORMER LABOR 266	205,689		
27	TOOLS AND EQ 246	202,536		
28	NEW BUS COMM-UG-RICHMOND	201,405		
29	TROY PIKE	199,393		
30	RELOCATIONS CUST REQUEST 766	196,120		
31	RELOCATIONS CUST REQUEST 416	193,417		
32	REP THIRD PARTY DAM 256	192,491		
33	TRANSFORMER LABOR 246	191,551		
34	KU GEMINI	190,363		
35	REP REPL DEF ST LIGHTS 366	187,645		
36	POLE REPAIR/REPLACEMENT 366	186,487		
37	SYS ENHANC-EXIST CUST-SHELBYVILLE	184,524		
38	BALLARDSVILLE CIRCUIT UPGRADE	183,977		
39	REPAIR DEFECTIVE POLES 426	183,510		
40	TROUBLE ORDERS 216	183,212		
41	PUB WRK RELOC-OH-LEXINGTON	182,048		
42	NEW BUSINESS COM 426	181,557		
43	TOTAL	197,024,858		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107)</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)</p> <p>3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.</p>				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	KU PC AND PRINTER INFRASTRUCT	181,226		
2	TOOLS AND EQ 256	177,606		
3	REP REPL DEF ST LIGHTS 156	176,865		
4	NEW BUSINESS RES 426	176,740		
5	REP THIRD PARTY DAM 366	175,999		
6	INST CAP/RE/RECL-LEXINGTON	172,855		
7	REP DEF EQUIP-OH-MAYSVILLE	170,846		
8	NEW BUS-SUBD-OVHD-SHELBYVILLE	170,517		
9	SYS ENHAN-EXIST CUST-LONDON	168,350		
10	DIST RELIABILITY 246	163,137		
11	TRANSFORMER LABOR 256	159,937		
12	REP REPL DEF ST LIGHTS 256	158,836		
13	NEW BUSINESS COM 216	158,357		
14	NEW BUS RESID-UG-PINEVILLE	158,240		
15	XMFR/CUTOUT/DIC-DIST	154,809		
16	TRANSFORMER LABOR 766	150,970		
17	SYS ENHAN-EXIST CUST-MAYSVILLE	148,863		
18	WINCHESTER WATER WORKS	148,299		
19	REPAIR DEFECTIVE EQUIPMENT 011019	147,750		
20	CIR HARD RELIAB OH 012560	147,280		
21	REP THIRD PARTY DAM 216	143,369		
22	RELOCATIONS CUST REQUEST 426	142,549		
23	INST CAP/REG/RECL-SHELBYVILLE	140,962		
24	SYS ENH-EXIST CUST-ETOWN	140,461		
25	REP DEF EQUIP-OH-LONDON	140,044		
26	RELOCATIONS CUST REQUEST 236	138,900		
27	REP REPL DEF ST LIGHTS 246	138,605		
28	NEW BUS SUBD-UG-DANVILLE	137,658		
29	REP REPL DEF ST LIGHTS 216	136,162		
30	NEW BUS COMM-UG-PINEVILLE	135,018		
31	TROUBLE ORDERS 308	134,605		
32	LON WATERWORKS RD REBUILD	132,839		
33	KY 519 HIGHWAY RELOCATION	132,751		
34	CIR HARD RELIAB OH 017660	130,917		
35	LEXINGTON STORM RESTORATION	130,877		
36	NEW BUS COMM-UG-EARLINGTON	128,598		
37	PUB WORK RELC-OH-ETOWN	126,693		
38	LEX OPS: LAKESHORE CKT132	126,596		
39	NEW BUS IND-UG-DANVILLE	125,338		
40	DIST RELIABILITY 416	124,286		
41	NEW BUS IND-OVHD-ETOWN	121,857		
42	KU ICE STORM 12-23-04	121,612		
43	TOTAL	197,024,858		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107)				
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)				
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	REP DEF EQUIP-OH-ETOWN	120,470		
2	NEW BUSINESS IND 216	120,190		
3	REP DEF EQUIP-OH-PINEVILLE	120,185		
4	CIR HARD RELIAB OH-013660	117,721		
5	NEW BUS RESID-OVHD-MAYSVILLE	117,590		
6	SUBSTATION ANIMAL GUARDS	110,994		
7	KENTON STATION ROAD	110,850		
8	SCM EARL SUB REPAIRS 2005	110,587		
9	NEW BUS IND-OVHD-LEXINGTON	107,461		
10	NEW BUS SUBD-UG-EARLINGTON	107,143		
11	POLE REPAIR/REPLACEMENT 416	106,961		
12	REP-REPL DEF POL'S 426	104,497		
13	LONDON STORM RESTORATION	104,114		
14	OAKHILL SUB BATTERY REPL	103,827		
15	NEW BUS IND OVHD-SHELBYVILLE	101,920		
16	DISTRIBUTION MINOR PROJECTS	5,575,767		
17				
18	GENERAL PLANT			
19	UPGRADE LOUISVILLE MAN TO OC-48 USING NEXT GEN SONET	526,591		
20	SMALLWORLD CST 4.0 UPGRADE	466,977		
21	TIER C ROTATION KU	257,806		
22	VIRTUAL TAPE UPGRADE	200,043		
23	KU PARK SITE REBUILD	188,074		
24	UPGRADE PASSENGER/FREIGHT ELEVATORS - ONE QUALITY	182,747		
25	HVAC AUTOMATION KU	161,215		
26	CREDIT MGMT 2005	150,049		
27	LAND MOBILE RADIO NETWORK UPGRADE DESIGN & PROCUREMENT	147,239		
28	OUTSIDE CABLE PLANT KU	112,809		
29	AVAYS INTERACTIVE	105,722		
30	CHAIR REPLACEMENT - ERGONOMICS	103,341		
31	GENERAL PLANT MINOR PROJECTS	1,452,468		
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	TOTAL	197,024,858		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,673,000,583	1,673,000,583		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	109,431,190	109,431,190		
4	(403.1) Depreciation Expense for Asset Retirement Costs	215,228	215,228		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	388,607	388,607		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	1,527,840	1,527,840		
9	(151) Fuel Stock	831,169	831,169		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	112,394,034	112,394,034		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	4,388,002	4,388,002		
13	Cost of Removal	9,739,397	9,739,397		
14	Salvage (Credit)	2,489,613	2,489,613		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	11,637,786	11,637,786		
16	Other Debit or Cr. Items (Describe, details in footnote):	1,874,923	1,874,923		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,775,631,754	1,775,631,754		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	858,129,392	858,129,392		
21	Nuclear Production				
22	Hydraulic Production-Conventional	8,111,021	8,111,021		
23	Hydraulic Production-Pumped Storage				
24	Other Production	92,774,179	92,774,179		
25	Transmission	295,237,872	295,237,872		
26	Distribution	437,575,821	437,575,821		
27	General	83,803,469	83,803,469		
28	TOTAL (Enter Total of lines 20 thru 27)	1,775,631,754	1,775,631,754		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

Depreciation resulting from the adoption of FiN 47.

Schedule Page: 219 Line No.: 16 Column: c

Customer payments related to construction projects.

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
 - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
 - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	0	TOTAL	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)					
<p>4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.</p> <p>5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.</p> <p>7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).</p> <p>8. Report on Line 42, column (a) the TOTAL cost of Account 123.1</p>					
Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.	
				1	
				2	
				3	
				4	
				5	
				6	
				7	
				8	
				9	
				10	
				11	
				12	
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				42	

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of <u>2005/Q4</u>
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	52,248,632	55,589,381	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	14,796,928	15,544,253	Electric	
8	Transmission Plant (Estimated)	2,021,557	3,201,501	Electric	
9	Distribution Plant (Estimated)	5,755,379	5,968,045	Electric	
10	Assigned to - Other (provide details in footnote)				
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	22,573,864	24,713,799		
12	Merchandise (Account 155)				
13	Other Materials and Supplies (Account 156)				
14	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
15	Stores Expense Undistributed (Account 163)	5,397,804	6,081,753	Electric	
16					
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	80,220,300	86,384,933		

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
Allowances (Accounts 158.1 and 158.2)					
1. Report below the particulars (details) called for concerning allowances.					
2. Report all acquisitions of allowances at cost.					
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.					
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).					
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.					
Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2006	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	185,021.00	3,710,299	83,343.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Adjustment to final 2004	44.00			
10					
11					
12					
13					
14					
15	Total	44.00			
16					
17	Relinquished During Year:				
18	Charges to Account 509	112,242.00	2,250,452		
19	Other:				
20	Charges to Account 549	8.00	160		
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	72,815.00	1,459,687	83,343.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	1,112.00		1,109.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	1,112.00			
40	Balance-End of Year			1,109.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	1,112.00	779,162		
45	Gains		779,162		
46	Losses				

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006		Year/Period of Report End of 2005/Q4		
Allowances (Accounts 158.1 and 158.2) (Continued)								
6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.								
7. Report on Lines 8-14 the names of vendors/transferees of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).								
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.								
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.								
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.								
2007		2008		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
83,343.00		83,343.00		1,944,183.00		2,379,233.00	3,710,299	1
								2
								3
				77,535.00		77,535.00		4
								5
								6
								7
								8
						44.00		9
								10
								11
								12
								13
								14
						44.00		15
								16
								17
						112,242.00	2,250,452	18
								19
						8.00	160	20
								21
								22
								23
								24
								25
								26
								27
								28
83,343.00		83,343.00		2,021,718.00		2,344,562.00	1,459,687	29
								30
								31
								32
								33
								34
								35
								36
1,109.00		1,109.00		52,008.00		56,447.00		37
				2,213.00		2,213.00		38
								39
				1,106.50		2,218.50		40
1,109.00		1,109.00		53,114.50		56,441.50		41
								42
								43
				1,106.50	329,202	2,218.50	1,108,364	44
					329,202		1,108,364	45
								46

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	03/31/2006	2005/Q4
FOOTNOTE DATA			

Schedule Page: 228 Line No.: 29 Column: b

The allowances shown on page 228 are SO₂ only. The Company also had NO_x allowances of 23,781 (3,803 for 2005 vintage year). There are no inventory dollars associated with NO_x allowances.

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
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9						
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11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent Kentucky Utilities Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
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37						
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43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent Kentucky Utilities Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2006	Year/Period of Report End of 2005/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Ice Storm	3,562,200		593	791,604	2,770,596
2	Management Audit Expenses	409,955		930.2	163,980	245,975
3	Minimum Pension Liability	22,230,649		219	22,230,649	
4	Pension	1,180,656	347,302			1,527,958
5	SFAS 109 - Income Taxes	25,047,599	3,288,706	254/283/	22,480,475	5,855,830
6				190		
7	VDT Workforce Reduction Costs	14,697,116		930.2	11,753,520	2,943,596
8	Asset Retirement Obligation	12,843,768	7,127,022			19,970,790
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
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30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	79,971,943	10,763,030		57,420,228	33,314,745