

KENTUCKY UTILITIES COMPANY

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

March 31, 2012

(1) Amount and kinds of stock authorized.

80,000,000 shares of Common Stock, without par value
5,300,000 shares of Cumulative Preferred Stock, without par value -- authorized, but unissued
2,000,000 shares of Preferred Stock, without par value -- authorized, but unissued

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

Common Stock:
37,817,878 shares issued and outstanding, without par value, recorded at \$307,818,689.

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

None

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

Date of Execution: As of October 1, 2010 (Supplemental Indentures were executed on October 15, 2010 and November 1, 2010.)

Mortgagor: Kentucky Utilities Company

Trustee: The Bank of New York Mellon

Amount of Authorized Debt: One quintillion dollars

Amount of Debt Secured: \$1,850,779,405

Sinking Fund Provisions: None

Pledged Assets: Substantially all assets of Kentucky Utilities located in Kentucky

- (5) Amount of bonds authorized, and amount issued giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with an amount of interest paid thereon during the last 12-month period.

Secured by first mortgage lien on substantially all assets in Kentucky.

Kentucky Utilities Company

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>		<u>Interest Expense</u>
			<u>Authorized</u>	<u>Outstanding at March 31, 2012</u>	<u>Year Ended March 31, 2012</u>
Pollution Control Bonds					
05/01/00	05/01/23	Variable	\$ 12,900,000	\$ 12,900,000	\$ 19,922
02/01/02	02/01/32	Variable	20,930,000	20,930,000	150,526
02/01/02	02/01/32	Variable	2,400,000	2,400,000	16,905
02/01/02	02/01/32	Variable	7,200,000	2,400,000	207,152
02/01/02	02/01/32	Variable	7,400,000	7,400,000	52,094
07/01/02	10/01/32	Variable	96,000,000	96,000,000	16,895
10/01/04	10/01/34	Variable	50,000,000	50,000,000	81,942
02/23/07	10/01/34	Variable	54,000,000	54,000,000	89,148
05/24/07	02/01/26	5.75%	17,875,000	17,875,000	1,027,813
05/24/07	03/01/37	6.00%	8,927,000	8,927,000	535,620
10/17/08	02/01/32	Variable	77,947,405	77,947,405	128,318
			<u>\$ 355,579,405</u>	<u>\$ 350,779,405</u>	<u>\$ 2,326,335</u>
First Mortgage Bonds					
11/16/10	11/01/15	1.63%	\$ 250,000,000	\$ 250,000,000	\$ 4,062,500
11/16/10	11/01/20	3.25%	500,000,000	500,000,000	16,250,000
11/16/10	11/01/40	5.13%	750,000,000	750,000,000	38,437,500
			<u>\$ 1,500,000,000</u>	<u>\$ 1,500,000,000</u>	<u>\$ 58,750,000</u>

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

There are no notes outstanding as of March 31, 2012.

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

None, other than current and accrued liabilities.

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

Dividends on Common Stock, without par value (not based on rate per share)

2007	-
2008	-
2009	-
2010	\$50,000,000
2011	\$123,500,000

- (1) On November 1, 2010, PPL Corporation completed its acquisition of E.ON U.S. LLC, the Company's parent. Upon completion of the acquisition, E.ON U.S. LLC was renamed LG&E and KU Energy LLC. The 37,817,878 shares are currently owned by LG&E and KU Energy LLC. From May 1998 to October 31, 2010, the 37,817,878 shares were all owned by E.ON U.S. LLC (formerly LG&E Energy LLC) and all dividends declared by KU's Board of Directors were paid to E.ON U.S. LLC. Subsequent to October 31, 2010, all dividends declared by KU's Board of Directors were paid to LG&E and KU Energy LLC. During the 1st quarter of 2012 KU declared and paid a dividend on common stock of \$24,000,000.

- (9) Detailed Income Statement, Balance Sheet and Statement of Retained Earnings

Monthly Financial and Operating Reports are filed each month with the Kentucky Public Service Commission. Attached are detailed Statements of Income, Balance Sheets and Retained Earnings for the Company for the period ending March 31, 2012.

KENTUCKY UTILITIES COMPANY

Balance Sheet on a Total Company and Jurisdictional Basis

At March 31, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
<u>Utility Plant</u>				
Utility Plant	101-106	\$ 6,492,570,023	\$ 5,653,048,566	\$ 839,521,457
Plus: Construction Work in Progress	107	<u>345,238,438</u>	<u>299,563,000</u>	<u>45,675,438</u>
Total Utility Plant		\$ 6,837,808,461	\$ 5,952,611,566	\$ 885,196,895
Less: Accumulated Provision for Depreciation	108,111	<u>2,419,286,203</u>	<u>2,091,528,460</u>	<u>327,757,743</u>
Net Utility Plant		<u>\$ 4,418,522,258</u>	<u>\$ 3,861,083,106</u>	<u>\$ 557,439,152</u>
<u>Other Property and Investments</u>				
Nonutility Property-Less reserve	121-122	\$ 179,121	\$ -	\$ 179,121
Investment in Subsidiary Companies	123.1	6,465,195	-	6,465,195
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	250,000	-	250,000
Special Funds	125-128	-	-	-
Total Other Property and Investments		<u>\$ 6,894,316</u>	<u>\$ -</u>	<u>\$ 6,894,316</u>
<u>Current and Accrued Assets</u>				
Cash	131	\$ 26,696,149	\$ 23,367,654	\$ 3,328,495
Special Deposits	132-134	-	-	-
Working Funds	135	38,530	33,726	4,804
Temporary Cash Investments	136	19,049,263	16,674,188	2,375,075
Customer Accounts Receivable	142	76,300,043	61,858,828	14,441,215
Other Accounts Receivable	143	11,706,473	10,246,902	1,459,571
Less: Accum Prov for Uncollectable Accts-Credit	144	2,181,406	1,909,427	271,979
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	3,237,051	2,878,965	358,086
Fuel	151	86,500,323	75,044,815	11,455,508
Plant Materials and Operating Supplies	154	34,275,060	29,704,618	4,570,442
Allowances	158.1	415,495	359,606	55,889
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	10,207,802	8,846,550	1,361,252
Prepayments	165	5,995,930	5,271,528	724,402
Interest and Dividends Receivable	171	9,989	8,744	1,245
Accrued Utility Revenues	173	67,598,169	56,527,000	11,071,169
Miscellaneous Current Assets	174-175	887	776	111
Total Current and Accrued Assets		<u>\$ 339,849,758</u>	<u>\$ 288,914,473</u>	<u>\$ 50,935,285</u>
<u>Deferred Debits</u>				
Unamortized Debt Expense	181	\$ 20,993,396	\$ 18,375,925	\$ 2,617,471
Deferred Regulatory Assets	182	267,700,866	226,679,655	41,021,211
Preliminary Survey and Inventory	183	4,129,489	3,614,622	514,867
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	41,777,908	36,167,181	5,610,727
Unamortized Loss on Bonds	189	11,623,874	10,174,601	1,449,273
Accumulated Deferred Income Taxes	190	85,241,360	74,623,809	10,617,551
Total Deferred Debits		<u>\$ 431,466,893</u>	<u>\$ 369,635,793</u>	<u>\$ 61,831,100</u>
Total Assets		<u>\$ 5,196,733,225</u>	<u>\$ 4,519,633,372</u>	<u>\$ 677,099,853</u>

KENTUCKY UTILITIES COMPANY

Balance Sheet on a Total Company and Jurisdictional Basis

At March 31, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Proprietary Capital				
Common Stock Issued	201	\$ 308,139,978	\$ 269,720,870	\$ 38,419,108
Preferred Stock Issued	204	-	-	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	315,858,083	276,476,677	39,381,406
Other Comprehensive Income	219	(5,681,777)	-	(5,681,777)
(Less) Common Stock Expense	214	321,289	281,230	40,059
Retained Earnings	215-216	1,506,021,217	1,318,249,443	187,771,774
Unappropriated Undistributed Subsidiary Earnings	216.1	14,468,539	-	14,468,539
Total Proprietary Capital		\$ 2,138,484,751	\$ 1,864,165,760	\$ 274,318,991
Long-Term Debt				
Bonds	221-222	\$ 1,850,779,405	\$ 1,620,022,939	\$ 230,756,466
Long-Term Debt Marked to Market	221.200	-	-	-
Long-Term Debt To Associated Companies	223	-	-	-
Other Long-Term Debt	224	-	-	-
Unamortized Discount on Long-Term Debt	226	(10,029,031)	(8,778,605)	(1,250,426)
Total Long-Term		\$ 1,840,750,374	\$ 1,611,244,334	\$ 229,506,040
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	2,630,530	2,339,537	290,993
Accumulated Provision for Pensions and Benefits	228.3	134,724,221	119,820,870	14,903,351
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 137,354,751	\$ 122,160,407	\$ 15,194,344
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	89,650,512	79,733,267	9,917,245
Notes Payable to Associated Companies	233	-	-	-
Accounts Payable to Associated Companies	234	35,561,725	-	35,561,725
Customer Deposits	235	23,057,678	22,530,992	526,686
Taxes Accrued	236	15,423,196	13,500,221	1,922,975
Interest Accrued	234,237	26,028,639	22,783,370	3,245,269
Dividends Declared	238	-	-	-
Matured Long-Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,944,890	3,341,899	602,991
Miscellaneous Current and Accrued Liabilities	242-244	16,640,201	15,424,908	1,215,293
Total Current and Accrued Liabilities		\$ 210,306,841	\$ 157,314,657	\$ 52,992,184
Deferred Credits				
Customer Advances for Construction	252	\$ 3,147,886	\$ 2,936,189	\$ 211,697
Accumulated Deferred Investment Tax Credits	255	100,707,741	86,299,725	14,408,016
Other Deferred Credits	253	12,482,364	10,869,046	1,613,318
Regulatory Liabilities	254	108,999,484	94,973,993	14,025,491
Asset Retirement Obligation	230	62,573,226	54,156,512	8,416,714
Miscellaneous Long-Term Liabilities	244	-	-	-
Accumulated Deferred Income Taxes	281-283	581,925,807	509,441,898	72,483,909
Total Deferred Credits		\$ 869,836,508	\$ 758,677,363	\$ 111,159,145
Total Liabilities and Stockholders Equity		\$ 5,196,733,225	\$ 4,513,562,521	\$ 683,170,704
Adjustment to Balance		-	\$ (6,070,851)	\$ 6,070,851

KENTUCKY UTILITIES COMPANY

Income Statement on a Total Company and Jurisdictional Basis

Twelve Months Ended March 31, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income				
Operating Revenues:				
Residential Sales	440	\$ 509,303,763	476,589,863	\$ 32,713,900
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		341,388,549	325,060,747	16,327,802
Large (or Ind) - Industrial & Mine Power		386,590,977	369,263,988	17,326,989
Public Street and Highway Lighting	444	10,746,105	10,423,250	322,855
Other Sales to Public Authorities	445	116,822,208	110,363,223	6,458,985
Total Sales to Ultimate Consumers		<u>\$ 1,364,851,602</u>	<u>\$ 1,291,701,071</u>	<u>\$ 73,150,531</u>
Sales for Resale	447	131,073,994	28,434,599	102,639,395
Total Sales of Electricity		<u>\$ 1,495,925,596</u>	<u>\$ 1,320,135,670</u>	<u>\$ 175,789,926</u>
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		<u>\$ 1,495,925,596</u>	<u>\$ 1,320,135,670</u>	<u>\$ 175,789,926</u>
Other Operating Revenues:				
Late Payment Charges	450	7,125,785	6,910,624	215,161
Miscellaneous Service Revenues	451	2,350,977	2,206,637	144,340
Rent from Electric Property	454	2,338,708	2,153,990	184,718
Other Electric Revenues	456	14,294,891	10,669,999	3,624,892
Total Other Operating Revenues		<u>\$ 26,110,361</u>	<u>\$ 21,941,250</u>	<u>\$ 4,169,111</u>
Total Operating Revenue		<u>\$ 1,522,035,957</u>	<u>\$ 1,342,076,920</u>	<u>\$ 179,959,037</u>
Operating Expenses:				
Operation Expenses	401	\$ 854,655,710	\$ 747,989,582	106,666,128
Maintenance Expenses	402	126,205,680	110,798,401	15,407,279
Depreciation Expense	403	184,687,594	161,166,061	23,521,533
Amortization of Limited-Term Electric Plant	404	7,505,149	6,534,688	970,461
Regulatory Credits	407	(6,011,854)	(5,207,773)	(804,081)
Taxes Other than Income Taxes	408.1	29,144,074	25,846,050	3,298,024
Income Taxes - Federal	409.1	(17,247,754)	Total Income Taxes	
Income Taxes - State	409.1	1,899,319	89,659,334	8,901,710
Deferred Federal Income Taxes - Net	410-1.1	102,811,976		
Deferred State Income Taxes - Net	410-1.1	11,097,503		
Accretion Expense	411.1	2,934,109	2,542,421	391,688
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(887)	(768)	(119)
Total Utility Operating Expenses		<u>\$ 1,297,680,619</u>	<u>\$ 1,139,327,996</u>	<u>\$ 158,352,623</u>
Net Utility Operating Income		<u>\$ 224,355,338</u>	<u>\$ 202,748,924</u>	<u>\$ 21,606,414</u>

KENTUCKY UTILITIES COMPANY

Income Statement on a Total Company and Jurisdictional Basis

Twelve Months Ended March 31, 2012

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.				
<u>Other Income and Deductions</u>				
Total Other Income		\$ 426,850		
Total Other Income Deductions		1,316,803		
Total Taxes on Other income and Deductions		(4,270,774)		
Net Other Income and Deductions		\$ 3,380,821		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 61,076,334		
Amortization of Debt Discount and Expense	428	3,168,966		
Amortization of Loss on Re-Acquired Debt	428.1	604,973		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	3,576		
Other Interest Expense	431	5,103,805		
Allowance for Borrowed Funds Used During Construction	432	(13,892)		
Net Interest Charges		\$ 69,943,762	\$ 59,882,590	\$ 10,061,172
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 157,792,397		