

LOUISVILLE GAS AND ELECTRIC COMPANY

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

March 31, 2012

- (1) Amount and kinds of stock authorized.

75,000,000 shares of Common Stock, without par value  
1,720,000 shares of Preferred Stock at \$25.00 par value – authorized, but unissued  
6,750,000 shares of Preferred Stock, without par value – authorized, but unissued

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

Common Stock:  
21,294,223 shares issued and outstanding, without par value, recorded at \$424,334,535.

- (3) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or 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 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: Louisville Gas and Electric Company

Trustee: The Bank of New York Mellon

Amount of Authorized Debt: One quintillion dollars

Amount of Debt Secured: \$1,109,304,000

Sinking Fund Provisions: None

Pledged Assets: Substantially all assets of Louisville Gas and Electric Company 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.

Louisville Gas and Electric Company

Date of Issue	Date of Maturity	Rate of Interest	Principal Amount		Interest Expense Year Ended March 31, 2012
			Authorized	Outstanding at March 31, 2012	
Pollution Control Bonds					
05/19/00	05/01/27	Variable	\$ 25,000,000	\$ 25,000,000	\$ 967,353
08/09/00	08/01/30	Variable	83,335,000	83,335,000	126,253
09/11/01	09/01/27	Variable	10,104,000	10,104,000	15,745
03/06/02	09/01/26	Variable	22,500,000	22,500,000	115,397
03/06/02	09/01/26	Variable	27,500,000	27,500,000	230,492
03/22/02	11/01/27	Variable	35,000,000	35,000,000	85,100
03/22/02	11/01/27	Variable	35,000,000	35,000,000	79,892
10/23/02	10/01/32	Variable	41,665,000	41,665,000	230,854
11/20/03	10/01/33	1.900%	128,000,000	128,000,000 *	2,427,003
04/13/05	02/01/35	5.750%	40,000,000	40,000,000	2,300,000
04/26/07	06/01/33	5.625%	31,000,000	31,000,000	1,743,750
04/26/07	06/01/33	1.900%	35,200,000	35,200,000 *	667,426
04/26/07	06/01/33	4.600%	60,000,000	60,000,000	2,760,000
Interest Rate Swaps					7,842,219
			<u>\$ 574,304,000</u>	<u>\$ 574,304,000</u>	<u>\$ 19,591,484</u>
First Mortgage Bonds					
11/16/10	11/15/15	1.625%	\$ 250,000,000	\$ 250,000,000	\$ 4,062,500
11/16/10	11/15/40	5.125%	285,000,000	285,000,000	14,606,250
			<u>\$ 535,000,000</u>	<u>\$ 535,000,000</u>	<u>\$ 18,668,750</u>

\* On January 13, 2011, Louisville Gas and Electric (LG&E) remarketed the Louisville/Jefferson County Metro Government 2003 Series A and 2007 Series B bonds. In connection with the remarketing, each bond series was converted to a mode wherein the interest rate was fixed for an intermediate term but not the full term of the bond. The 2003 Series A bonds bore interest at the rate of 1.900% until April 2012 and the 2007 Series B bonds will bear interest at the rate of 1.900% until June 2012. On April 2, 2012, the 2003 Series A bond was remarketed wherein the interest rate is fixed for an intermediate term but not the full term of the bond at the rate of 1.650%. On June 1,

2012, the 2007 Series B bonds will be remarketed wherein the interest rate will be fixed for an intermediate term but not the full term of the bond at the rate of 1.600%. At the end of the intermediate terms, the Company must remarket the bonds or buy them back.

- (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 the amount of capital stock on which dividends were paid each year. (1)

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

2007	\$ 65,000,000
2008	40,000,000
2009	80,000,000
2010	55,000,000
2011	83,250,000

(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 21,294,223 shares are currently owned by LG&E and KU Energy LLC. From May 1998 to October 31, 2010, the 21,294,223 shares were all owned by E.ON U.S. LLC (formerly LG&E Energy LLC) and all dividends declared by LG&E's Board of Directors were paid to E.ON U.S. LLC. Subsequent to October 31, 2010, all dividends declared by LG&E's Board of Directors were paid to LG&E and KU Energy LLC. During the 1<sup>st</sup> quarter of 2012, LG&E declared and paid a dividend on common stock of \$15,000,000.

Dividends on 5% Cumulative Preferred Stock, \$25 par value

The amount of dividends declared and paid on the 860,287 shares of 5% Cumulative Preferred Stock, \$25 par value, in the year 2007 was \$316,636. All shares were redeemed on April 16, 2007.

Dividends on \$5.875 Cumulative Preferred Stock, without par value

The preferred stock had a sinking fund requirement sufficient to retire a minimum of 12,500 shares on July 15 of each year commencing with July 15, 2003, and the remaining

187,500 shares on July 15, 2008 at \$100 per share. The Company redeemed 12,500 shares in accordance with these provisions annually on July 15, 2003 through July 15, 2006. The 200,000 remaining shares were redeemed April 16, 2007.

Annual dividends and interest on preferred stock, without par value for the previous five fiscal years were:

2007	\$ 345,972
2008	0
2009	0
2010	0
2011	0

Dividends on Auction Rate Cumulative Preferred Stock, without par value

<u>Declared Date</u>	<u>Payment Date</u>	<u>Rate Per Share</u>	<u>Amount</u>
March 2007	04/13/07	1.25000	\$625,000
			<u>\$625,000</u>

Dividend is based on 500,000 shares for all periods. All shares were redeemed on April 16, 2007.

(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.

**Louisville Gas and Electric Company**  
**Balance Sheet on a Total Company and Jurisdictional Basis**  
**March 31, 2012**

	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<b>UTILITY PLANT</b>			
Utility Plant	\$ 3,934,840,181	\$ 812,596,397	\$ 4,747,436,578
Construction Work in Progress	144,812,074	39,317,146	184,129,220
<b>TOTAL UTILITY PLANT</b>	<b>4,079,652,255</b>	<b>851,913,543</b>	<b>4,931,565,798</b>
Less: Accum. Prov. for Depr. Amort. Depl.	1,874,209,647	270,050,799	2,144,260,446
Net Utility Plant	2,205,442,608	581,862,744	2,787,305,352
Gas Stored Underground - Noncurrent	-	2,139,990	2,139,990
<b>OTHER PROPERTY AND INVESTMENTS</b>			
Nonutility Property-Less Reserve	8,434	3,445	11,879
Special Funds	21,053,212	5,759,335	26,812,547
Ohio Valley Electric Corporation	594,286	-	594,286
<b>TOTAL Other Property and Investments</b>	<b>21,655,932</b>	<b>5,762,780</b>	<b>27,418,712</b>
<b>CURRENT AND ACCRUED ASSETS</b>			
Cash	29,678,795	8,265,812	37,944,607
Special Deposits	-	-	-
Working Fund	15,775	4,315	20,090
Temporary Cash Investments	12,829,268	3,509,586	16,338,854
Customer Accounts Receivable	51,726,148	13,075,321	64,801,469
Other Accounts Receivable	8,389,207	989,164	9,378,371
<b>Less: Accum. Prov. for Uncollectible Acct.-Cr</b>	<b>164,284</b>	<b>2,009,117</b>	<b>2,173,401</b>
Notes Receivable from Assoc. Companies	-	-	-
Accounts Receivable from Assoc. Companies	20,078,964	18,759	20,097,723
Fuel Stock	66,393,015	-	66,393,015
Plant Materials and Operating Supplies	30,962,197	1,859	30,964,056
Stores Expense Undistributed	5,536,321	16,779	5,553,100
Gas Stored Underground - Current	-	20,184,889	20,184,889
Prepayments	4,071,253	733,410	4,804,663
Misc. Current & Accrued Assets	17,915	-	17,915
Interest and Dividends Receivable	19,027	686	19,713
Rents Receivable	120,223	-	120,223
Accrued Utility Revenues	40,117,000	8,880,725	48,997,725
Accrued Wholesale Revenues	317,894	-	317,894
<b>TOTAL Current and Accrued Assets</b>	<b>270,108,718</b>	<b>53,672,188</b>	<b>323,780,906</b>
<b>DEFERRED DEBITS</b>			
Unamortized Debt Expenses	10,141,992	2,774,559	12,916,551
Other Regulatory Assets	319,094,357	69,705,785	388,800,142
Miscellaneous Deferred Debits	737,213	1,067,716	1,804,929
Unamortized Loss on Reacquired Debt	16,238,824	4,443,266	20,682,090
Accumulated Deferred Income Taxes	20,614,752	1,502,155	22,116,907
<b>TOTAL Deferred Debits</b>	<b>366,827,138</b>	<b>79,493,481</b>	<b>446,320,619</b>
<b>TOTAL Assets and Other Debits</b>	<b>\$ 2,864,034,396</b>	<b>\$ 722,931,183</b>	<b>\$ 3,586,965,579</b>
	79.85%	20.15%	

**Louisville Gas and Electric Company**  
**Balance Sheet on a Total Company and Jurisdictional Basis**  
**March 31, 2012**

	<i>Electric</i>	<i>Gas</i>	<i>Total</i>
<b>PROPRIETARY CAPITAL</b>			
Common Stock Issued	\$ 333,843,817	\$ 91,326,607	\$ 425,170,424
Preferred Stock Issued	-	-	-
Other Paid - In Capital	65,628,193	17,953,306	83,581,499
Other Comprehensive Income	-	-	-
(Less) Capital Stock Expense	656,340	179,549	835,889
Retained Earnings	671,310,423	207,808,230	879,118,653
TOTAL Proprietary Capital	1,070,126,093	316,908,594	1,387,034,687
<b>LONG-TERM DEBT</b>			
Long-Term Notes Payable to Associated Companies	-	-	-
Bonds	868,199,964	237,505,543	1,105,705,507
TOTAL Long - Term Debt	868,199,964	237,505,543	1,105,705,507
<b>OTHER NONCURRENT LIABILITIES</b>			
Long Term Obligations Under Capital Leases	-	-	-
Accumulated Provision for Postretirement Benefits	126,101,719	34,567,455	160,669,174
TOTAL OTHER Noncurrent Liabilities	126,101,719	34,567,455	160,669,174
<b>CURRENT AND ACCRUED LIABILITIES</b>			
Notes Payable	-	-	-
Notes Payable to Associated Companies	-	-	-
Accounts Payable	79,580,525	12,654,077	92,234,602
Accounts Payable to Associated Companies	12,514,539	3,423,488	15,938,027
Customer Deposits	17,759,970	4,675,681	22,435,651
Taxes Accrued	13,956,483	3,917,517	17,874,000
Interest Accrued	9,488,629	2,594,775	12,083,404
Dividends Declared	-	-	-
Tax Collections Payable	-	-	-
Short Term Obligations Under Capital Leases	-	-	-
Miscellaneous Current and Accrued Liabilities	14,860,047	13,994,298	28,854,345
TOTAL Current and Accrued Liabilities	148,160,193	41,259,836	189,420,029
<b>DEFERRED CREDITS AND OTHER</b>			
Customer Advances for Construction	1,287,025	6,042,838	7,329,863
Asset Retirement Obligations	15,808,643	43,523,221	59,331,864
Accumulated Deferred Investment Tax Credits	42,048,775	-	42,048,775
Other Deferred Credits	7,918,144	229,873	8,148,017
Other Regulatory Liabilities	47,935,269	10,068,230	58,003,499
Miscellaneous Long-term Liabilities	42,365,401	11,589,516	53,954,917
Accumulated Deferred Income Taxes	427,389,023	87,930,224	515,319,247
TOTAL Deferred Credits	584,752,280	159,383,902	744,136,182
Electric/Gas adjustment to balance	66,694,147	(66,694,147)	
TOTAL Liabilities and Other Credits	\$ 2,864,034,396	\$ 722,931,183	\$ 3,586,965,579
	79.85%	20.15%	

**Louisville Gas and Electric Company**  
**Income Statement on a Total Company and Jurisdictional Basis**  
**Twelve Months Ending March 31, 2012**

	<i>Electric</i>	<i>Gas</i>	<i>Total</i>
<b>OPERATING REVENUES</b>			
Residential Sales	364,685,227	177,671,559	542,356,786
Small (or Comm.)	303,925,535	64,227,778	368,153,313
Large (or Ind.)	145,916,472	6,673,500	152,589,972
Public Street and Highway Lighting	6,385,692	-	6,385,692
Other Sales to Public Authorities	87,460,580	10,494,445	97,955,025
Rate Refunds	-	-	-
Total Sales to Ultimate Consumers	908,373,506	259,067,282	1,167,440,788
Sales for Resale	122,808,990	-	122,808,990
Interdepartmental Sales	-	7,290,452	7,290,452
Forfeited Discounts	5,456,486	2,474,416	7,930,902
Transportation Revenue	-	6,777,034	6,777,034
Miscellaneous Service Revenues	1,623,075	91,420	1,714,495
Rent from Electric/Gas Property	2,958,357	232,767	3,191,124
Interdepartmental Rents	-	-	-
Other Electric Revenue	6,683,812	-	6,683,812
Other Gas Revenue	-	8,576	8,576
Total Operating Revenues	1,047,904,226	275,941,947	1,323,846,173
<b>OPERATING EXPENSES</b>			
Operation Expense	624,877,266	179,992,495	804,869,761
Maintenance Expense	104,008,968	20,276,253	124,285,221
Depreciation Expense	121,970,363	21,395,173	143,365,536
Amort. & Depl. of Utility Plant	5,925,054	2,456,201	8,381,255
Amor. of Property Losses, Unrecovered Plant and Regulatory Study Costs	-	-	-
Regulatory Credits	(3,858,163)	(2,104,902)	(5,963,065)
Taxes Other Than Income Taxes	21,920,601	6,572,639	28,493,240
Income Taxes - Federal	20,340,461	(16,590,720)	3,749,741
- State	8,126,933	(1,793,586)	6,333,347
Provision for Deferred Income Taxes	171,178,901	59,754,685	230,933,586
(Less) Provision for Deferred Income Taxes - Credit	(147,820,991)	(26,894,804)	(174,715,795)
Investment Tax Credit Adj. - Net	(2,661,472)	(132,894)	(2,794,366)
(Gain) from Disposition of Allowances	(694)	-	(694)
Accretion Expense	1,651,510	1,059,702	2,711,212
Total Utility Operating Expenses	925,658,737	243,990,242	1,169,648,979
Net Utility Operating Income	122,245,489	31,951,705	154,197,194
Total Other Income			1,710,248
Total Other Income Deductions			1,652,017
Total Taxes on Other Income and Deductions			(284,862)
Net Other Income and Deductions			343,093
<b>INTEREST</b>			
Interest on Long-Term Debt			38,260,233
Amort. of Debt Discount and Expenses			2,057,415
Amortization of Loss on Reacquired Debt			1,217,690
Other Interest Charges			2,724,996
Total Interest Charges	34,922,373	9,337,962	44,260,334
Net Income Before Extraordinary Items			110,279,953
Extraordinary Items			-
Net Income			110,279,953