

KENTUCKY UTILITIES COMPANY

CASE NO. 2014-00371

**UPDATED Response to Commission Staff's Third Request for Information
Dated February 6, 2015**

Updated Response filed on March 18, 2015

Question No. 4

Responding Witness: Robert M. Conroy

- Q-4. Refer to the response to Item 13 of Staff's Second Request. Continue to provide income statements, updated monthly, during the pendency of this processing.
- A-4. See attached for the February 2015 Comparative Statement of Income. The Company will provide monthly updates during the pendency of this proceeding.

Kentucky Utilities Company
Comparative Statement of Income
February 28, 2015

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 169,083,808.81	\$ 158,920,719.76	\$ 10,163,089.05	6.40
Rate Refunds.....	-	-	-	-
Total Operating Revenues.....	169,083,808.81	158,920,719.76	10,163,089.05	6.40
Fuel for Electric Generation.....	54,516,586.44	49,994,174.88	4,522,411.56	9.05
Power Purchased.....	9,423,092.54	13,046,400.60	(3,623,308.06)	(27.77)
Other Operation Expenses.....	23,188,951.22	20,880,475.20	2,308,476.02	11.06
Maintenance.....	8,723,680.47	8,975,032.03	(251,351.56)	(2.80)
Depreciation.....	16,702,205.36	15,095,898.05	1,606,307.31	10.64
Amortization Expense.....	893,854.71	734,304.55	159,550.16	21.73
Regulatory Credits.....	-	-	-	-
Taxes				
Federal Income.....	10,982,322.74	13,433,063.15	(2,450,740.41)	(18.24)
State Income.....	658,639.30	2,449,798.75	(1,791,159.45)	(73.11)
Deferred Federal Income - Net.....	4,236,918.00	-	4,236,918.00	100.00
Deferred State Income - Net.....	1,720,146.36	-	1,720,146.36	100.00
Property and Other.....	3,299,891.02	2,942,335.16	357,555.86	12.15
Investment Tax Credit.....	-	-	-	-
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	-	-	-	-
Total Operating Expenses.....	134,346,288.16	127,551,482.37	6,794,805.79	5.33
Net Operating Income.....	34,737,520.65	31,369,237.39	3,368,283.26	10.74
Other Income Less Deductions				
Amortization of Investment Tax Credit.....	155,938.00	155,938.00	-	-
Other Income Less Deductions.....	942,025.25	(147,868.99)	1,089,894.24	737.07
AFUDC - Equity.....	51,303.91	104,755.24	(53,451.33)	(51.03)
Total Other Income Less Deductions.....	1,149,267.16	112,824.25	1,036,442.91	918.63
Income Before Interest Charges.....	35,886,787.81	31,482,061.64	4,404,726.17	13.99
Interest on Long-Term Debt.....	5,910,424.36	5,900,954.40	9,469.96	0.16
Amortization of Debt Expense - Net.....	274,108.01	293,460.59	(19,352.58)	(6.59)
Other Interest Expenses.....	214,047.17	260,493.62	(46,446.45)	(17.83)
AFUDC - Borrowed Funds.....	(18,323.98)	(33,621.51)	15,297.53	45.50
Total Interest Charges.....	6,380,255.56	6,421,287.10	(41,031.54)	(0.64)
Net Income.....	\$ 29,506,532.25	\$ 25,060,774.54	\$ 4,445,757.71	17.74

March 20, 2015

Kentucky Utilities Company
Case No. 2014-00371
Comparative Income Statement
Base Period: Twelve Months Ended February 28, 2015
Forecasted Test Period: Twelve Months Ended June 30, 2016

	<u>Most Recent Five Calendar Years</u>					Base Period	Test Year	Forecasted		
	2009	2010	2011	2012	2013	2/28/2015	6/30/2016	2016	2017	2018
Total Company										
INCOME STATEMENT										
Operating Revenues										
Electric Operating Revenues	\$ 1,356,658,234	\$ 1,512,342,096	\$ 1,547,516,986	\$ 1,523,825,929	\$ 1,634,793,983	\$ 1,727,458,732	\$ 1,838,424,883	\$ 1,851,427,354	\$ 1,901,284,227	\$ 1,952,086,261
Rate Refunds	(469,231)	(632,384)	-	-	-	(2,700,607)	-	-	-	-
Total Operating Revenues	<u>1,356,189,003</u>	<u>1,511,709,712</u>	<u>1,547,516,986</u>	<u>1,523,825,929</u>	<u>1,634,793,983</u>	<u>1,724,758,125</u>	<u>1,838,424,883</u>	<u>1,851,427,354</u>	<u>1,901,284,227</u>	<u>1,952,086,261</u>
Operating Expenses										
Fuel for Electric Generation	433,697,314	496,084,188	522,648,642	504,482,305	535,625,319	562,373,315	638,109,266	639,901,720	665,867,227	667,156,659
Power Purchased	198,813,399	174,621,937	109,114,948	105,046,895	79,098,106	97,569,869	77,959,172	76,887,422	79,818,059	101,184,193
Other Operation Expenses	196,300,642	216,647,228	233,508,691	231,533,083	260,213,804	268,924,343	326,075,013	330,326,533	338,447,316	347,243,397
Maintenance	103,274,108	107,813,985	116,303,369	142,533,486	111,758,016	130,626,642	139,747,049	135,395,224	134,195,118	150,902,629
Depreciation & Amortization Expense	133,320,861	144,234,852	186,161,709	193,711,065	185,756,680	200,064,176	239,971,068	245,193,480	253,493,535	264,677,404
Federal & State Income Taxes	(3,134,848)	74,415,842	(2,486,273)	(20,748,788)	64,134,664	(95,075,958)	19,769,998	2,515,596	20,474,406	13,636,388
Deferred Federal & State Income Taxes	53,274,660	25,586,490	111,563,239	115,043,640	69,874,797	231,268,576	87,644,254	106,377,612	87,328,687	88,374,837
Property and Other Taxes	20,956,613	19,893,479	28,115,766	31,089,947	32,726,804	36,205,071	40,737,389	41,591,919	43,191,379	44,676,740
Amortization of Investment Tax Credit	21,416,455	-	-	-	-	-	-	-	-	-
Loss(Gain) from Disposition of Allowances	(84,708)	(56,751)	(3,293)	(887)	(360)	(546)	-	-	-	-
Total Operating Expenses	<u>1,157,834,496</u>	<u>1,259,241,250</u>	<u>1,304,926,798</u>	<u>1,302,690,746</u>	<u>1,339,187,830</u>	<u>1,431,955,488</u>	<u>1,570,013,209</u>	<u>1,578,189,506</u>	<u>1,622,815,727</u>	<u>1,677,852,247</u>
Net Operating Income	<u>198,354,507</u>	<u>252,468,462</u>	<u>242,590,188</u>	<u>221,135,183</u>	<u>295,606,153</u>	<u>292,802,637</u>	<u>268,411,674</u>	<u>273,237,848</u>	<u>278,468,500</u>	<u>274,234,014</u>
Other Income less deductions	10,039,029	1,650,166	4,478,792	(6,330,749)	2,714,427	3,628,774	1,464,391	1,410,712	1,396,599	1,378,443
Income before Interest Charges	<u>208,393,536</u>	<u>254,118,628</u>	<u>247,068,980</u>	<u>214,804,434</u>	<u>298,320,580</u>	<u>296,431,411</u>	<u>269,876,065</u>	<u>274,648,560</u>	<u>279,865,099</u>	<u>275,612,457</u>
Interest Charges	75,066,582	78,624,210	70,333,584	68,803,504	70,304,985	77,619,463	93,970,481	99,390,497	104,195,898	110,298,961
Net Income	<u>\$ 133,326,954</u>	<u>\$ 175,494,418</u>	<u>\$ 176,735,396</u>	<u>\$ 146,000,930</u>	<u>\$ 228,015,595</u>	<u>\$ 218,811,948</u>	<u>\$ 175,905,584</u>	<u>\$ 175,258,063</u>	<u>\$ 175,669,201</u>	<u>\$ 165,313,496</u>