

LOUISVILLE GAS AND ELECTRIC COMPANY

FINANCIAL EXHIBIT
(807 KAR 5:001 SEC. 18(2)(a) and SEC. 12)

February 28, 2015

- (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, November 1, 2010 and November 1, 2013.)

Mortgagor: Louisville Gas and Electric Company

Trustee: The Bank of New York Mellon

Amount of Authorized Debt: One quintillion dollars

Amount of Debt Secured: \$1,359,304,000

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 most recent fiscal period.

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

Louisville Gas and Electric Company

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>		<u>Interest Expense Year Ended February 28, 2015</u>
			<u>Authorized</u>	<u>Outstanding at February 28, 2015</u>	
Pollution Control Bonds					
05/19/00	05/01/27	Variable	\$ 25,000,000	\$ 25,000,000	\$ 193,373
08/09/00	08/01/30	Variable	83,335,000	83,335,000	119,725
09/11/01	09/01/27	Variable	10,104,000	10,104,000	13,068
03/06/02	09/01/26	Variable	22,500,000	22,500,000	53,963
03/06/02	09/01/26	1.05% *****	27,500,000	27,500,000	114,919
03/22/02	11/01/27	1.35% *****	35,000,000	35,000,000	172,972
03/22/02	11/01/27	1.35% *****	35,000,000	35,000,000	172,972
10/23/02	10/01/32	Variable	41,665,000	41,665,000	77,004
11/20/03	10/01/33	1.65% *	128,000,000	128,000,000	2,112,000
04/13/05	02/01/35	2.20% ****	40,000,000	40,000,000	880,000
04/26/07	06/01/33	1.15% ***	31,000,000	31,000,000	356,500
04/26/07	06/01/33	1.60% **	35,200,000	35,200,000	563,200
04/26/07	06/01/33	4.60%	60,000,000	60,000,000	2,760,000
Interest Rate Swaps					7,910,615
			<u>\$ 574,304,000</u>	<u>\$ 574,304,000</u>	<u>\$ 15,500,311</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
11/14/13	11/15/43	4.650%	250,000,000	250,000,000	10,193,583
			<u>\$ 785,000,000</u>	<u>\$ 785,000,000</u>	<u>\$ 28,862,333</u>

Date of Issue	Date of Maturity	Rate of Interest	Principal Amount		Interest Expense Year Ended December 31, 2014
			Authorized	Outstanding at December 31, 2014	
Pollution Control Bonds					
05/19/00	05/01/27	Variable	\$ 25,000,000	\$ 25,000,000	\$ 193,191
08/09/00	08/01/30	Variable	83,335,000	83,335,000	105,882
09/11/01	09/01/27	Variable	10,104,000	10,104,000	13,208
03/06/02	09/01/26	Variable	22,500,000	22,500,000	54,962
03/06/02	09/01/26	1.05% *****	27,500,000	27,500,000	77,063
03/22/02	11/01/27	1.35% *****	35,000,000	35,000,000	109,632
03/22/02	11/01/27	1.35% *****	35,000,000	35,000,000	109,632
10/23/02	10/01/32	Variable	41,665,000	41,665,000	71,488
11/20/03	10/01/33	1.65% *	128,000,000	128,000,000	2,112,000
04/13/05	02/01/35	2.20% ****	40,000,000	40,000,000	876,055
04/26/07	06/01/33	1.15% ***	31,000,000	31,000,000	356,500
04/26/07	06/01/33	1.60% **	35,200,000	35,200,000	563,200
04/26/07	06/01/33	4.60%	60,000,000	60,000,000	2,760,000
Interest Rate Swaps					7,934,003
			<u>\$ 574,304,000</u>	<u>\$ 574,304,000</u>	<u>\$ 15,336,813</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
11/14/13	11/15/43	4.650%	250,000,000	250,000,000	10,185,925
			<u>\$ 785,000,000</u>	<u>\$ 785,000,000</u>	<u>\$ 28,854,675</u>

* On April 2, 2012, Louisville Gas and Electric (LG&E) remarketed the Louisville/Jefferson County Metro Government 2003 Series A bonds wherein the interest rate was fixed at 1.650% until April 3, 2017, at which time the Company must remarket the bonds or buy them back.

** On June 1, 2012, LG&E remarketed the Louisville/Jefferson County Metro Government 2007 Series B bonds wherein the interest rate was fixed at 1.600% until June 1, 2017, at which time the Company must remarket the bonds or buy them back.

*** On December 1, 2012, LG&E remarketed the Louisville/Jefferson County Metro Government 2007 Series A bonds wherein the interest rate was fixed at 1.15% until June 1, 2017, at which time the Company must remarket the bonds or buy them back.

**** On December 2, 2013, LG&E remarketed the Louisville/Jefferson County Metro Government 2005 Series A bonds wherein the interest rate was fixed at the 2.20% until July 31, 2019, at which time the Company must remarket the bonds or buy them back.

***** On December 15, 2014, LG&E remarketed the Trimble County 2001 Series A bonds wherein the interest rate was fixed at 1.05% until March 1, 2018, at which time the Company must remarket the bonds or buy them back.

***** On December 15, 2014, LG&E remarketed the Trimble County 2001 Series B and Jefferson County 2001 Series B bonds wherein the interest rate was fixed at 1.35% until May 1, 2018, at which time 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 February 28, 2015.¹

- (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)

2010	55,000,000
2011	83,250,000
2012	75,250,000
2013	99,000,000
2014	112,000,000

(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 1st quarter of 2015, LG&E declared and paid dividends on common stock of \$23,000,000.

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

¹ LG&E maintains a syndicated revolving credit facility of \$500 million. Although there isn't any outstanding balance on the revolver, LG&E has executed notes under the multiyear revolving credit program, and also has \$295 million of short term commercial paper outstanding as of February 28, 2015.

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 February 28, 2015.

Louisville Gas and Electric Company
Balance Sheet as of February 28, 2015

Assets		Liabilities and Proprietary Capital	
Utility Plant		Proprietary Capital	
Utility Plant at Original Cost.....	\$ 6,384,557,974.92	Common Stock.....	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization.....	<u>2,343,810,620.29</u>	Less: Common Stock Expense.....	835,888.64
Total.....	<u>4,040,747,354.63</u>	Paid-in Capital.....	327,081,499.00
		Other Comprehensive Income.....	-
Investments		Retained Earnings.....	<u>1,053,170,518.71</u>
Ohio Valley Electric Corporation.....	594,286.00	Total Proprietary Capital.....	<u>1,804,586,553.16</u>
Nonutility Property - Less Reserve.....	567,535.13	Other Long-Term Debt.....	<u>1,354,798,504.29</u>
Special Funds.....	<u>23,097,938.47</u>	Total Long-Term Debt.....	<u>1,354,798,504.29</u>
Total.....	<u>24,259,759.60</u>	Total Capitalization.....	<u>3,159,385,057.45</u>
Current and Accrued Assets		Current and Accrued Liabilities	
Cash.....	9,210,820.78	ST Notes Payable to Associated Companies.....	-
Special Deposits.....	-	Notes Payable.....	294,981,079.17
Temporary Cash Investments.....	3,660,446.40	Accounts Payable.....	226,174,917.51
Accounts Receivable - Less Reserve.....	234,618,432.74	Accounts Payable to Associated Companies.....	13,768,731.02
Notes Receivable from Associated Companies.....	-	Customer Deposits.....	24,824,334.83
Accounts Receivable from Associated Companies.....	83,334,101.87	Taxes Accrued.....	11,592,728.01
Materials and Supplies - At Average Cost.....	50,210,452.70	Dividends Declared.....	23,000,000.00
Fuel.....	35,464,229.70	Interest Accrued.....	11,786,458.38
Plant Materials and Operating Supplies.....	6,428,534.54	Miscellaneous Current and Accrued Liabilities.....	<u>129,793,447.02</u>
Stores Expense.....	24,366,912.13	Total.....	<u>735,921,695.94</u>
Gas Stored Underground.....	6,319.97	Deferred Credits and Other	
Emission Allowances.....	7,393,433.69	Accumulated Deferred Income Taxes.....	880,219,726.57
Prepayments.....	-	Investment Tax Credit.....	35,758,998.65
Miscellaneous Current and Accrued Assets.....	454,693,684.52	Regulatory Liabilities.....	92,852,683.82
Total.....	<u>454,693,684.52</u>	Customer Advances for Construction.....	7,758,016.39
Deferred Debits and Other		Asset Retirement Obligations.....	85,988,289.21
Unamortized Debt Expense.....	12,686,210.91	Other Deferred Credits.....	16,635,067.25
Unamortized Loss on Bonds.....	17,842,559.17	Miscellaneous Long-Term Liabilities.....	4,272,804.90
Accumulated Deferred Income Taxes.....	165,010,035.38	Accum Provision for Pension & Postretirement Benefits.....	<u>121,112,171.73</u>
Deferred Regulatory Assets.....	419,900,836.01	Total.....	<u>1,244,597,758.52</u>
Other Deferred Debits.....	4,764,071.69	Total Liabilities and Stockholders' Equity.....	<u>\$ 5,139,904,511.91</u>
Total.....	<u>620,203,713.16</u>		
Total Assets.....	<u>\$ 5,139,904,511.91</u>		

Louisville Gas and Electric Company
Statement of Income
February 28, 2015

	Year Ended <u>2/28/2015</u>
Electric Operating Revenues.....	\$ 1,168,075,926.84
Gas Operating Revenues.....	<u>364,101,507.27</u>
 Total Operating Revenues.....	 <u>1,532,177,434.11</u>
 Fuel for Electric Generation.....	 406,487,089.78
Power Purchased.....	45,189,369.51
Gas Supply Expenses.....	193,925,218.16
Other Operation Expenses.....	254,126,096.71
Maintenance.....	110,297,025.06
Depreciation.....	149,544,035.60
Amortization Expense.....	9,720,207.22
Regulatory Credits.....	-
Taxes	
Federal Income.....	(37,394,114.23)
State Income.....	9,438,393.14
Deferred Federal Income - Net.....	129,080,245.70
Deferred State Income - Net.....	6,145,537.39
Property and Other.....	34,344,957.03
Amortization of Investment Tax Credit.....	(1,713,754.00)
Loss (Gain) from Disposition of Allowances.....	(427.27)
Accretion Expense.....	<u>-</u>
 Total Operating Expenses.....	 <u>1,309,189,879.80</u>
 Net Operating Income.....	 222,987,554.31
Other Income Less Deductions.....	<u>(2,432,360.97)</u>
 Income Before Interest Charges.....	 <u>220,555,193.34</u>
 Interest on Long-Term Debt.....	 44,362,644.26
Amortization of Debt Expense - Net.....	3,412,635.67
Other Interest Expenses.....	<u>1,683,051.10</u>
 Total Interest Charges.....	 <u>49,458,331.03</u>
 Net Income.....	 <u>\$ 171,096,862.31</u>

Louisville Gas and Electric Company
Analysis of Retained Earnings
February 28, 2015

	<u>Year Ended 2/28/15</u>
Balance at Beginning of Period.....	\$ 990,073,656.40
Add:	
Net Income for Period.....	171,096,862.31
Deduct:	
Common Dividends	
Common Stock Without Par Value.....	<u>108,000,000.00</u>
Balance at End of Period.....	<u><u>\$ 1,053,170,518.71</u></u>