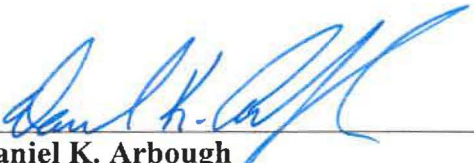


VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of April 2017.



Notary Public (SEAL)

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
~~My commission expires July 11, 2018~~
Notary ID # 512743

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Kent W. Blake**, being duly sworn, deposes and says that he is Chief Financial Officer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Kent W. Blake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of April 2017.



Notary Public

(SEAL)

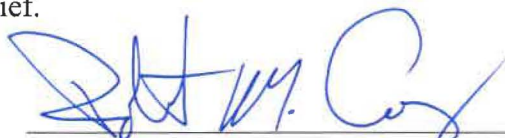
My Commission Expires:

November 9, 2018

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Vice President – State Regulation and Rates for Louisville Gas and Electric Company and Kentucky Utilities Company, an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of April 2017.

 (SEAL)
Notary Public

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Director – Rates for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 13th day of April 2017.


Notary Public (SEAL)

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Gregory J. Meiman**, being duly sworn, deposes and says that he is Vice President, Human Resources for Louisville Gas and Electric Company and Kentucky Utilities Company, an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Gregory J. Meiman

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of April 2017.

 (SEAL)
Notary Public

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

VERIFICATION

STATE OF NORTH CAROLINA)
) SS:
COUNTY OF TRANSYLVANIA)

The undersigned, **William Steven Seelye**, being duly sworn, deposes and states that he is a Principal of The Prime Group, LLC, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



William Steven Seelye

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of April 2017.



Notary Public (SEAL)

My Commission Expires:
11-17 2018

BENJAMIN D. UPTON II
NOTARY PUBLIC
Transylvania County, NC

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(7)(o)
Sponsoring Witness: Kent W. Blake

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.

Response:

The Companies have only one monthly budget variance (performance) report used for management reporting to the CEO and executive officers. Beginning January 2016, this performance report includes separate income statement, balance sheet and other analyses for Kentucky Utilities Company and Louisville Gas and Electric Company. Prior to 2016, this report included combined information for LG&E and KU Energy LLC. Certain information responsive to this request is being provided under seal pursuant to a Petition for Confidential Protection.

See attached for the monthly reports for:

- The twelve months prior to the base period - March 2015 through February 2016.
- Each month of the base period - As of the date of the filing only the months of March 2016 through October 2016 are available. The Company will provide this data for the remaining periods requested in the upcoming months as it becomes available.

Base Period Update Response:

See attached for the monthly reports for November 2016 through February 2017. The Company will provide this data for the remaining periods requested in the upcoming months as it becomes available.



Performance Report

November 2016

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	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
Safety⁽¹⁾						
TCIR - Employees	1.45	1.44	1.12	1.11	1.38	1.22
Employee lost-time incidents	1	0	4	8	9	8
Reliability						
Generation Volumes	2,444	2,622	30,915	31,942	33,937	34,964
Utility EFOR	4.1%	5.7%	5.8%	5.7%	N/A	5.7%
Utility EAF	73.3%	81.9%	83.3%	81.9%	N/A	82.3%
Steam Fleet Commercial Availability	92.8%	92.8%	93.4%	92.8%	N/A	92.8%
Combined SAIFI	0.06	0.06	0.97	0.96	N/A	1.03
Combined SAIDI (minutes)	5.80	5.47	92.57	87.62	N/A	94.09
GwH Sales						
Residential	663	723	9,582	9,872	10,735	10,847
Commercial	587	603	7,331	7,137	8,008	7,793
Industrial	776	839	8,617	9,235	9,433	10,089
Municipals	133	140	1,716	1,729	1,874	1,886
Other	216	224	2,617	2,559	2,856	2,798
Off-System Sales	21	7	205	304	207	322
Total	2,396	2,536	30,068	30,836	33,114	33,735
Weather-Normalized Sales Growth						
Residential			TTM			
Commercial			-2.01%			
Industrial			3.59%			
Municipal			-4.57%			
Other			0.18%			
Total			0.51%			
			-1.12%			

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Margins (\$ millions)						
Electric Margins	\$134	\$142	\$1,681	\$1,713	\$1,841	\$1,870
Gas Margins	16	16	148	153	170	175
Capital Expenditures (\$ millions)						
Total	\$65	\$71	\$676	\$896	\$806	\$955
O&M (\$ millions)⁽²⁾						
Total	\$58	\$63	\$637	\$677	\$698	\$731
Head Count						
Full-time Employees	3,504	3,602	3,504	3,602	3,544	3,600
Other Metrics						
Environmental Events	0	0	3	15	N/A	16
NERC Possible Violations ⁽³⁾	0	0	5	7	N/A	8

Financial Metrics	TTM	Full Year	
	Actual	Forecast	Budget
ROE ⁽⁴⁾	9.9%	10.0%	9.8%

Variance Explanations
<ul style="list-style-type: none"> Current month lower margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of \$8 million. YTD lower margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of \$32 million, \$5 million lower gas margins and \$4 million lower retail rate mechanism revenue. This was partially offset by \$4 million lower production costs and other margin components. Current month lower O&M primarily due to lower labor and burden costs along with savings in plant maintenance and outage expenses and outside services. YTD lower O&M primarily due to lower labor and burden costs along with savings in plant maintenance, storm restoration, vegetation management, uncollectible accounts and outside services. YTD and full year projected capital expenditures were lower than budget primarily due to lower ECR spending on Environmental Air projects at Mill Creek and Ghent, and timing related to Cap and Closure projects and CCR projects at Trimble County.

Major Developments
<ul style="list-style-type: none"> LKE filed its rate case applications on November 23 and as previously announced, intends to seek increases in annual base rates of 8.5% for LG&E Electric, 4.2% for LG&E Gas, and 6.4% for KU. The filings also include requests for Certificates of Public Convenience and Necessity to implement an advanced metering system and a distribution automation program. On December 2, the KPSC accepted our rate case application noting no deficiencies in the filing. This signifies a major first step in the rate case process and starts the timeline for consideration of the case. The Company also filed its responses to the initial set of data requests from the KPSC on December 8. These were standard data requests issued between the notice and filing of the case. The Company continues to advance technology and customer choices. LKE representatives and Louisville-area officials and neighborhood business leaders unveiled our first publicly available electric vehicle charging station in Louisville. The station is located in the 1100 block of East Washington Street, and is among the first of 20 public stations LG&E and KU will install across its service territories. The charging program was approved by the KPSC in April.

(1) Full year forecast amount shown represents target.
 (2) Net of cost recovery mechanisms.
 (3) The possible violation issues are believed to be minimal risk.
 (4) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (Month) - LKE Consolidated

November 2016

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 207	\$ 228	\$ (21)	Due to lower FAC revenues based on the lower fuel costs shown below along with lower residential and industrial revenues, including the loss of Verso (NewPage) as a customer.
Gas Revenues	27	31	(4)	
Total Revenues	234	259	(25)	
Cost of Sales:				
Fuel Electric Costs	55	66	12	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	12	15	3	
Purchased Power	5	4	(0)	
Other Electric Cost	14	15	1	
Total Cost of Sales	85	101	16	
Gross Margin:				
Electric Margin	134	142	(8)	Lower margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of \$8 million.
Gas Margin	16	16	(0)	
Total Gross Margin	149	158	(9)	
Operating Expenses:				
O&M	58	63	4	Lower O&M primarily due to lower labor and burden costs along with savings in plant maintenance and outage expenses and outside services.
Depreciation & Amortization	29	30	1	
Taxes, Other than Income	5	5	(0)	
Total Operating Expenses	92	98	5	
Other income (expense)	(0)	(0)	(0)	
EBIT	57	60	(3)	
Interest Expense	18	18	1	
Income from Ongoing Operations before income taxes	39	42	(3)	
Income Tax Expense	15	16	1	
Net Income (loss) from ongoing operations	24	26	\$ (2)	
Discontinued Operations	(0)	(0)	0	
Net Income (loss)	\$ 24	\$ 26	\$ (2)	
KY Regulated Financing Costs	(3)	(2)	(0)	
KY Regulated Net Income	\$ 22	\$ 23	\$ (2)	
Earnings Per Share - Ongoing	\$ 0.03	\$ 0.03	\$ (0.00)	

Note: Schedules may not sum due to rounding.

Attachment to Filing Requirement

807 KAR 5:001 Section 16(7)(o)

Page 4 of 62

Blake

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated

November 2016

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,600	\$ 2,756	\$ (155)	Due to lower volumes driven by unfavorable weather, ECR revenue and lower FAC revenue from lower fuel costs (see below), and industrial volumes.
Gas Revenues	248	282	(33)	See Gas Supply Expenses explanation below.
Total Revenues	2,849	3,037	(189)	
Cost of Sales:				
Fuel Electric Costs	722	823	101	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	100	129	29	Due to lower gas usage (mild weather) and prices as well as lower net purchases.
Purchased Power	51	53	2	
Other Electric Cost	146	166	20	Due to lower coal generation and lower ECR consumables expense and scrubber reactant expense.
Total Cost of Sales	1,019	1,171	152	
Gross Margin:				
Electric Margin	1,681	1,713	(32)	Lower margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of \$32 million and \$4 million lower retail rate mechanism revenue. This was partially offset by \$4 million lower production costs and other margin components.
Gas Margin	148	153	(5)	Lower margins primarily due to lower sales volumes due to unfavorable weather.
Total Gross Margin	1,829	1,866	(37)	
Operating Expenses:				
O&M	637	677	40	Lower O&M primarily due to lower labor and burden costs along with savings in plant maintenance, storm restoration, vegetation management, uncollectible accounts and outside services.
Depreciation & Amortization	319	328	9	Lower depreciation primarily due to project completion and spending updates as well as higher level of retirements this year.
Taxes, Other than Income	52	52	(0)	
Total Operating Expenses	1,008	1,057	48	
Other income (expense)	(10)	(6)	(4)	
EBIT	811	803	8	
Interest Expense	195	199	4	
Income from Ongoing Operations before income taxes	617	604	12	
Income Tax Expense	232	231	(1)	
Net Income (loss) from ongoing operations	385	374	\$ 11	
Discontinued Operations	0	(0)	0	
Net Income (loss)	\$ 385	\$ 374	\$ 11	
KY Regulated Financing Costs	(28)	(27)	(0)	
KY Regulated Net Income	\$ 357	\$ 346	\$ 11	
Earnings Per Share - Ongoing	\$ 0.52	\$ 0.51	\$ 0.01	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LG&E
November 2016

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,042	\$ 1,082	\$ (40)	Due to lower volumes driven by unfavorable weather, lower ECR revenue and lower FAC revenue from lower fuel costs (see below), and lower industrial volumes.
Gas Revenues	248	282	(33)	See Gas Supply Expenses explanation below.
Total Revenues	1,290	1,364	(74)	
Cost of Sales:				
Fuel Electric Costs	276	303	27	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	100	129	29	Due to lower gas usage (mild weather) and prices
Purchased Power	50	56	6	Lower purchased power due to lower commodity prices.
Other Electric Cost	57	68	11	Due to lower coal generation and lower ECR consumables expense and scrubber reactant expense.
Total Cost of Sales	483	555	73	
Gross Margin:				
Electric Margin	660	656	4	
Gas Margin	148	153	(5)	
Total Gross Margin	808	809	(1)	
Operating Expenses:				
O&M	285	307	21	Lower O&M primarily due to timing of plant maintenance and outages, vegetation management, storm restoration and labor and burden savings.
Depreciation & Amortization	129	133	4	
Taxes, Other than Income	26	26	(0)	
Total Operating Expenses	440	465	25	
Other income (expense)	(6)	(2)	(3)	
EBIT	362	341	21	
Interest Expense	64	65	1	
Income from Ongoing Operations before income taxes	298	276	22	
Income Tax Expense	114	106	(8)	Due to higher pre-tax income.
Net Income (loss) from ongoing operations	184	170	\$ 14	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - KU
November 2016

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,592	\$ 1,726	\$ (134)	Due to lower volumes driven by unfavorable weather, lower ECR revenue and by the loss of Verso (NewPage) as a customer.
Gas Revenues	-	-	-	
Total Revenues	1,592	1,726	(134)	
Cost of Sales:				
Fuel Electric Costs	448	524	76	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	-	-	-	
Purchased Power	33	46	13	Lower purchased power due to lower commodity prices.
Other Electric Cost	89	99	10	Due to lower coal generation and lower ECR consumables expense and scrubber reactant expense.
Total Cost of Sales	571	669	98	
Gross Margin:				
Electric Margin	1,021	1,057	(36)	Primarily related to lower Electric Revenues. See explanation above.
Gas Margin	-	-	-	
Total Gross Margin	1,021	1,057	(36)	
Operating Expenses:				
O&M	330	350	20	Lower O&M primarily due to timing of plant maintenance, lower storm restoration, vegetation management and outside services along with labor and burden savings.
Depreciation & Amortization	190	194	5	Lower depreciation primarily due to project completion and spending updates as well as higher level of retirements this year.
Taxes, Other than Income	26	26	0	
Total Operating Expenses	546	571	25	
Other income (expense)	(4)	(4)	(0)	
EBIT	472	483	(11)	
Interest Expense	88	89	2	
Income from Ongoing Operations before income taxes	384	393	(9)	
Income Tax Expense	147	150	3	
Net Income (loss) from ongoing operations	238	243	\$ (6)	

Note: Schedules may not sum due to rounding.

LKE Electric Margin

	Actual	Budget	Variance
Base Energy	65	70	(5) ▼
Demand	41	44	(3) ▼
Base Service Charge	14	14	(0) ▼
Rate Mechanisms	17	17	(0) ▼
Other Rev/Cost of Sales	(1)	(0)	(0) ▼
Other Margin Items	(2)	(2)	(0) ▼
Total	134	142	(8) ▼

LG&E Electric Margin

	Actual	Budget	Variance
Base Energy	26	27	(1) ▼
Demand	14	14	0 ▲
Base Service Charge	6	6	(0) ▼
Rate Mechanisms	8	9	(0) ▼
Other Rev/Cost of Sales	(0)	(0)	0 ▲
Other Margin Items	(2)	(2)	(0) ▼
Total	52	53	(1) ▼

KU Electric Margin

	Actual	Budget	Variance
Base Energy	39	43	(4) ▼
Demand	28	30	(3) ▼
Base Service Charge	8	8	0 ▲
Rate Mechanisms	9	8	0 ▲
Other Rev/Cost of Sales	(1)	(0)	(0) ▼
Other Margin Items	(0)	0	(0) ▼
Total	82	90	(7) ▼

LKE Base Energy Price/Vol Variance

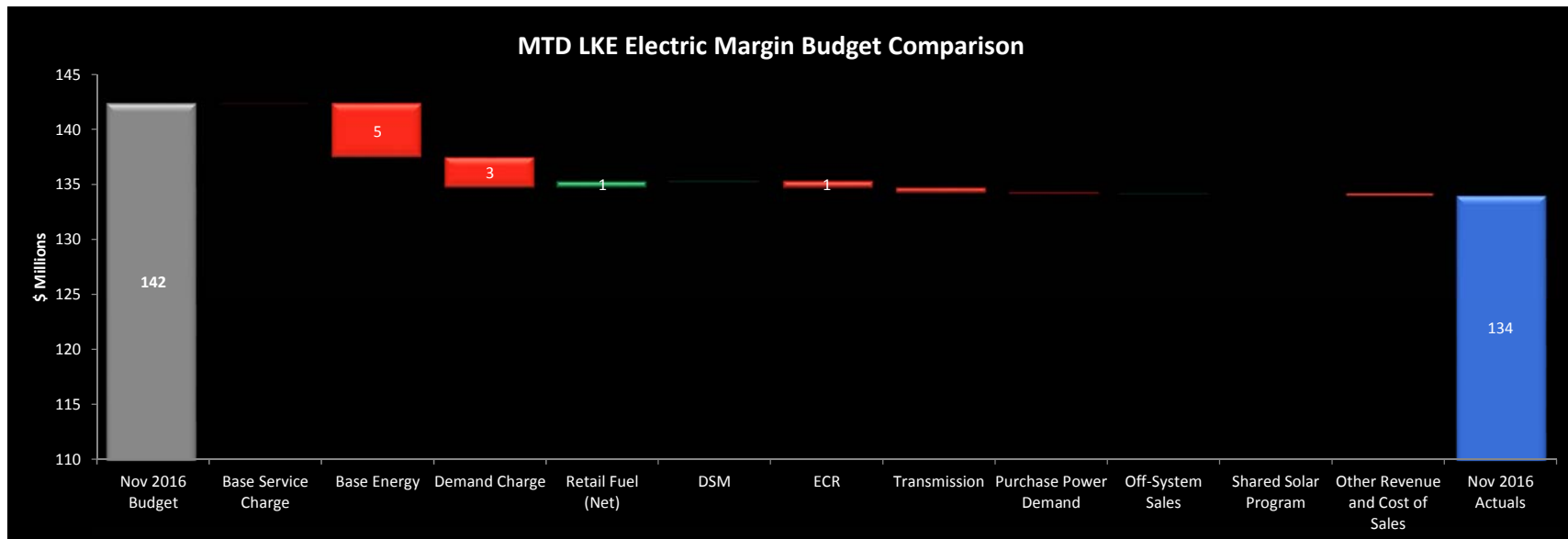
	Volume	Price	Total Variance
Residential	(3)	1	(3)
Commercial	(1)	(1)	(2)
Industrial	(0)	0	(0)
Public Authority	(0)	(0)	(0)
Street Lights	(0)	0	0
Municipals	(0)	(0)	(0)
Other	0	0	0
Total	(4)	(0)	(5)

LG&E Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(1)	0	(1)
Commercial	0	(0)	(0)
Industrial	(0)	0	(0)
Public Authority	0	0	0
Street Lights	0	(0)	0
Municipals	0	0	0
Other	0	0	0
Total	(1)	(0)	(1)

KU Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(2)	0	(2)
Commercial	(1)	(1)	(1)
Industrial	(0)	0	(0)
Public Authority	(0)	(0)	(0)
Street Lights	(0)	0	0
Municipals	(0)	(0)	(0)
Other	0	0	0
Total	(4)	(0)	(4)



Note: For additional detailed information, please refer to the monthly Margin results files per Revenue Accounting & Analysis Department.

LKE Electric Margin

	Actual	Budget	Variance
Base Energy	875	893	(18) ▼
Demand	501	515	(14) ▼
Base Service Charge	151	151	(0) ▼
Rate Mechanisms	175	180	(4) ▼
Other Rev/Cost of Sales	(4)	(6)	2 ▲
Other Margin Items	(18)	(19)	2 ▲
Total	1681	1713	(32) ▼

LG&E Electric Margin

	Actual	Budget	Variance
Base Energy	360	360	0 ▲
Demand	166	165	1 ▲
Base Service Charge	61	62	(1) ▼
Rate Mechanisms	91	91	(1) ▼
Other Rev/Cost of Sales	(0)	(2)	2 ▲
Other Margin Items	(18)	(20)	2 ▲
Total	660	656	4 ▲

KU Electric Margin

	Actual	Budget	Variance
Base Energy	515	533	(18) ▼
Demand	335	350	(15) ▼
Base Service Charge	90	89	0 ▲
Rate Mechanisms	85	88	(3) ▼
Other Rev/Cost of Sales	(4)	(4)	1 ▲
Other Margin Items	0	1	(0) ▼
Total	1021	1057	(36) ▼

LKE Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(15)	6	(10)
Commercial	6	(9)	(3)
Industrial	(5)	2	(3)
Public Authority	1	(1)	0
Street Lights	(1)	2	0
Municipals	(0)	(2)	(2)
Other	0	0	0
Total	(15)	(3)	(18)

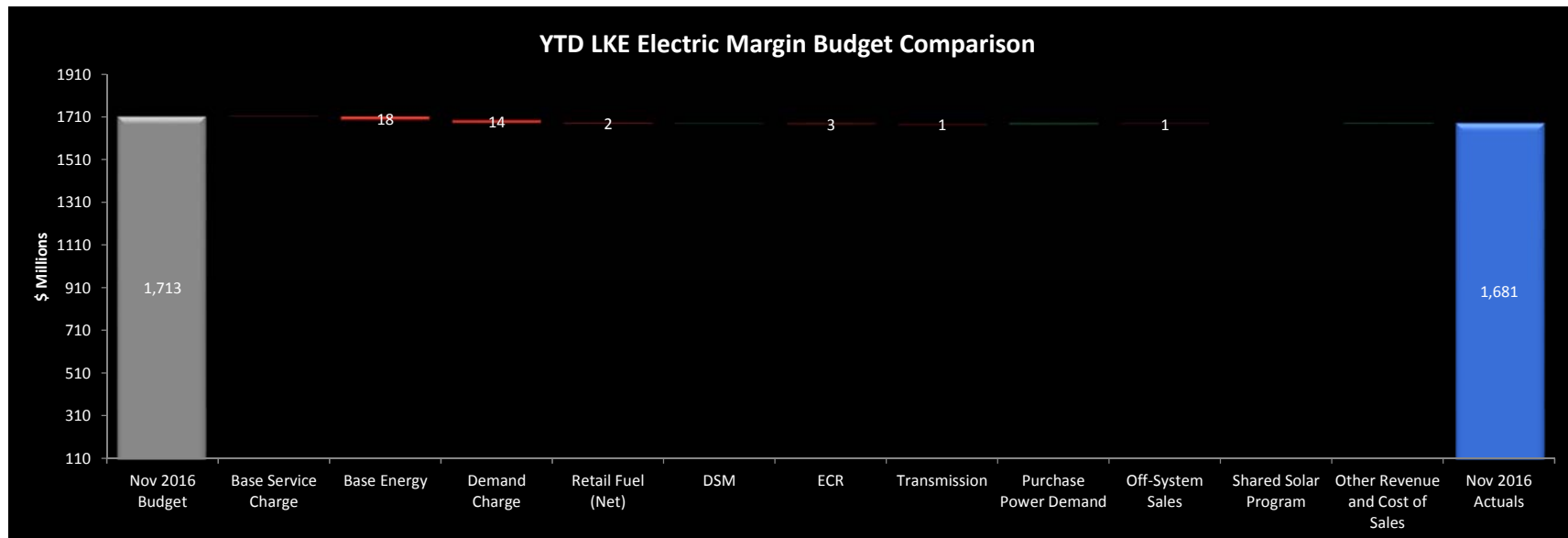
LG&E Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(3)	2	(1)
Commercial	7	(5)	1
Industrial	(3)	1	(2)
Public Authority	1	0	1
Street Lights	0	(0)	0
Municipals	0	0	0
Other	0	0	0
Total	2	(2)	0

KU Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(12)	3	(9)
Commercial	(1)	(4)	(5)
Industrial	(2)	1	(1)
Public Authority	0	(1)	(1)
Street Lights	(2)	2	(0)
Municipals	(0)	(2)	(2)
Other	0	0	0
Total	(17)	(1)	(18)

YTD LKE Electric Margin Budget Comparison



Note: For additional detailed information, please refer to the monthly Margin results files per Revenue Accounting & Analysis Department.

Gas Gross Margin

November 2016

(\$ Millions)

	MTD				YTD			
	Actual	Budget	Subtotal	Margin Variance	Actual	Budget	Subtotal	Margin Variance
Gas Base Service Charge	\$ 5	\$ 5		♦ (0)	\$ 57	\$ 57		♦ \$ (0)
Gas Supply Costs								
Gas Supply Costs	(11)	(14)	\$ 3		(90)	(117)	\$ 27	
GSC Revenue	11	14	\$ (3)		90	117	\$ (27)	
Net Gas Supply Costs				● 0				● \$ 1
Retail Gas (a)	8	9		♦ (1)	70	80		♦ \$ (10)
Wholesale Gas (a)	-	-		● -	(0)	-		♦ \$ (0)
DSM	0	0		♦ (0)	0	1		♦ \$ (1)
GLT	1	1		● 0	14	13		● \$ 1
WNA	1	-		● 1	5	-		● \$ 5
Other Margin	0	0		♦ (0)	1	1		♦ \$ (0)
Gas Margin Variance				♦ \$ (0)				♦ \$ (5)

(a) Retail and wholesale gas sales - excludes GSC

	MTD								
	Actual			Budget			Variance		
	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume \$mil	Price \$mil
Residential	\$ 5	1,684,298	\$ 2.87	\$ 6	2,043,361	\$ 2.87	♦ (\$1.0)	♦ (\$1.0)	♦ (\$0.0)
Commercial	2	725,513	2.15	2	760,043	2.14	♦ (\$0.1)	♦ (\$0.1)	● \$0.0
Industrial	0	166,726	2.07	0	161,862	2.20	♦ (\$0.0)	● \$0.0	♦ (\$0.0)
Public Authority	0	95,237	2.09	0	124,419	2.07	♦ (\$0.1)	♦ (\$0.1)	● \$0.0
Transportation	1	1,159,578	0.55	1	1,445,424	0.50	♦ (\$0.1)	♦ (\$0.1)	● \$0.1
Interdepartmental	0	23,443	9.36	0	10,615	28.00	♦ (\$0.1)	● \$0.4	♦ (\$0.4)
Ultimate Consumer	\$ 8	3,854,795	\$ 2.02	\$ 9	4,545,723	\$ 2.01	♦ (\$1.3)	♦ (\$0.9)	♦ (\$0.4)

	YTD								
	Actual			Budget			Variance		
	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume \$mil	Price \$mil
Residential	\$ 42	14,554,320	\$ 2.87	\$ 50	17,301,009	\$ 2.87	♦ (\$8)	♦ (8)	♦ \$ (0)
Commercial	15	6,953,129	2.09	16	7,549,220	2.13	♦ (\$2)	♦ (1)	♦ \$ (0)
Industrial	2	1,081,705	1.97	3	1,327,490	2.12	♦ (\$1)	♦ (1)	♦ \$ (0)
Public Authority	2	941,937	2.03	3	1,212,734	2.06	♦ (\$1)	♦ (1)	♦ \$ (0)
Transportation	6	12,404,558	0.51	6	11,401,150	0.50	● \$1	● \$1	● \$0
Interdepartmental	3	312,154	10.59	3	1,210,157	2.75	♦ (\$0)	♦ (\$2)	● \$2
Ultimate Consumer	\$ 70	36,247,803	\$ 1.93	\$ 80	40,001,760	\$ 2.00	♦ (\$10)	♦ (\$12)	● \$2

(\$ Millions)

	MTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	20	21	0	0	(0)	(1)	2	(1)
Project Engineering	0	0	0	0	(0)	(0)	(0)	0
Transmission	3	2	(0)	0	(0)	(0)	0	0
Energy Supply and Analysis	1	1	0	0	-	0	0	0
Generation Services	1	1	0	0	(0)	0	(0)	0
Electric Distribution	5	6	0	0	1	(0)	0	0
Gas Distribution	3	3	(0)	0	0	(0)	(0)	0
Safety and Technical Training	0	0	0	(0)	(0)	0	0	0
Customer Services	6	7	0	0	(0)	(0)	(0)	0
Chief Operations Officer	40	41	1	1	(0)	(2)	2	(0)
General Counsel	1	2	1	0	(0)	0	0	1
Human Resources	0	1	0	0	(0)	0	(0)	0
General Counsel & HR	2	3	1	0	(0)	0	0	1
Audit Services	0	0	0	0	-	0	(0)	0
Controller	1	1	0	(0)	-	0	0	0
Information Technology	4	5	0	0	(0)	(0)	0	(0)
Supply Chain	0	0	(0)	(0)	-	0	0	(0)
Treasurer	1	1	(0)	(0)	-	(0)	(0)	(0)
State Regulation and Rates	0	0	0	(0)	-	0	(0)	0
Chief Financial Officer	7	7	0	0	(0)	0	0	(0)
Corporate	10	12	2	2	(0)	0	(0)	0
O&M Total MTD	58	63	4	3	(0)	(1)	2	1

	YTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	182	192	10	3	(3)	3	12	(5)
Project Engineering	0	1	0	0	(0)	(0)	(0)	0
Transmission	26	28	2	0	0	(0)	0	1
Energy Supply and Analysis	8	8	0	0	(0)	0	0	0
Generation Services	13	14	1	0	(0)	1	(0)	1
Electric Distribution	63	67	4	(1)	6	(2)	0	1
Gas Distribution	30	31	1	1	(1)	0	0	0
Safety and Technical Training	5	5	0	(0)	(0)	0	0	0
Customer Services	75	80	5	1	0	1	0	3
Chief Operations Officer	402	426	24	5	2	3	12	1
General Counsel	26	29	3	0	0	1	1	2
Human Resources	6	7	1	0	(0)	0	0	0
General Counsel & HR	32	36	4	0	0	1	1	2
Audit Services	1	2	0	0	-	(0)	0	0
Controller	9	9	0	(0)	-	0	0	0
Information Technology	50	55	5	3	(0)	1	0	0
Supply Chain	4	4	(0)	(0)	(0)	0	0	(0)
Treasurer	10	10	0	(0)	-	(0)	(0)	1
State Regulation and Rates	3	3	(0)	0	-	0	(0)	0
Chief Financial Officer	77	83	5	3	(0)	1	0	2
Corporate	126	133	7	5	(3)	3	(1)	2
O&M Total YTD	637	677	40	14	(0)	8	12	6

	Full Year			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Forecast	Budget	Total Variance					
Generation	197	206	8	3	(3)	1	9	(1)
Project Engineering	0	1	0	0	(0)	(0)	(0)	0
Transmission	29	30	1	0	(0)	(0)	0	1
Energy Supply and Analysis	8	9	0	0	(0)	0	0	0
Generation Services	14	15	1	0	(0)	1	(0)	1
Electric Distribution	68	73	4	(1)	6	(1)	(0)	1
Gas Distribution	33	34	1	1	(1)	0	(0)	0
Safety and Technical Training	5	5	0	(0)	(0)	0	0	0
Customer Services	82	87	5	1	0	1	0	3
Chief Operations Officer	438	459	21	4	2	1	9	5
General Counsel	30	32	2	0	0	0	0	1
Human Resources	6	7	1	0	(0)	0	0	0
General Counsel & HR	37	39	2	0	0	0	0	1
Audit Services	2	2	0	0	-	(0)	0	0
Controller	10	10	0	(0)	-	0	0	0
Information Technology	55	60	5	3	(0)	1	0	0
Supply Chain	4	4	(0)	(0)	(0)	0	0	(0)
Treasurer	11	11	0	(0)	-	(0)	(0)	1
State Regulation and Rates	4	3	(0)	(0)	-	0	(0)	0
Chief Financial Officer	84	90	5	3	(0)	1	0	2
Corporate	140	144	4	3	(2)	2	(1)	2
O&M Total Full Year	698	731	33	10	(0)	4	9	10

Note: Schedules may not sum due to rounding.

Financing Activities			November 2016			
(\$ Millions)						
Balance Sheet	YTD			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
PCB						
Beg Bal	\$ 923.9	\$ 923.8	\$ (0.1)	\$ 898.9	\$ 923.8	\$ 24.9
End Bal	923.8	923.8	(0.0)	898.9	923.8	24.9
Ave Bal	\$ 923.8	\$ 923.8	\$ (0.0)	\$ 898.9	\$ 923.8	\$ 24.9
Interest Exp	\$ 11.8	\$ 12.7	\$ 0.9	\$ 12.8	\$ 13.9	\$ 1.0
Rate	1.37%	1.48%	0.11%	1.41%	1.48%	0.07%
FMB/Sr Nts/Loan with PPL						
Beg Bal	\$ 4,210.0	\$ 4,210.0	\$ -	\$ 4,210.0	\$ 4,210.0	\$ -
End Bal	4,210.0	4,210.0	-	4,210.0	4,210.0	-
Ave Bal	\$ 4,210.0	\$ 4,210.0	\$ -	\$ 4,210.0	\$ 4,210.0	\$ -
Interest Exp	\$ 162.5	\$ 162.5	\$ 0.0	\$ 175.3	\$ 175.3	\$ (0.0)
Rate	4.15%	4.15%	0.00%	4.10%	4.10%	0.00%
Short-term Debt						
Beg Bal	\$ 318.9	\$ 297.0	\$ (21.9)	\$ 509.7	\$ 347.7	\$ (162.0)
End Bal	295.9	353.7	57.8	433.0	347.7	(85.3)
Ave Bal	\$ 307.4	\$ 325.4	\$ 18.0	\$ 471.3	\$ 347.7	\$ (123.7)
Interest Exp	\$ 3.5	\$ 4.3	\$ 0.8	\$ 5.0	\$ 4.8	\$ (0.2)
Rate	1.23%	1.42%	0.20%	1.04%	1.35%	0.31%
Unamortized Debt Expense Bonds						
Beg Bal	\$ (46.3)	\$ (41.1)	\$ 5.3	\$ (43.2)	\$ (39.6)	\$ 3.6
End Bal	(44.3)	(40.3)	4.0	(43.8)	(39.6)	4.2
Ave Bal	\$ (45.3)	\$ (40.7)	\$ 4.6	\$ (43.5)	\$ (39.6)	\$ 3.9
Total End Bal	\$ 5,385.4	\$ 5,447.2	\$ 61.8	\$ 5,498.0	\$ 5,441.9	\$ (56.2)
Total Average Bal	\$ 5,395.9	\$ 5,418.5	\$ 22.6	\$ 5,536.7	\$ 5,441.9	\$ (94.8)
Total Expense Excl I/C ⁽¹⁾	\$ 194.7	\$ 199.0	\$ 4.3	\$ 212.4	\$ 217.2	\$ 4.8
Rate	3.85%	3.92%	0.07%	3.74%	3.90%	0.15%

⁽¹⁾ Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed		Letters of Credit Issued	Unused Capacity
	Capacity	Borrowed ⁽²⁾		
LKE	\$ 300	\$ 159		\$ 141
LG&E	500	137		363
KU	598	-	\$ 198	400
TOTAL	\$ 1,398	\$ 296	\$ 198	\$ 904

⁽²⁾ LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2016		LG&E 2016		KU 2016	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	19%	19%	28%	27%	27%	27%
CFO pre-WC + Interest / Interest	5.9	5.7	8.3	8.1	7.5	7.6
CFO pre-WC - Dividends / Debt	16%	22%	28%	27%	17%	36%
Debt to Capitalization ⁽²⁾	47%	47%	38%	39%	38%	38%

Credit Metrics Moody's	LKE 2016 BP		LG&E 2016 BP		KU 2016 BP	
	2017	2018	2017	2018	2017	2018
CFO pre-WC / Debt	19%	20%	28%	29%	28%	26%
CFO pre-WC + Interest / Interest	5.8	5.7	7.9	7.8	7.7	7.2
CFO pre-WC - Dividends / Debt	27%	27%	35%	38%	36%	32%
Debt to Capitalization ⁽²⁾	45%	45%	38%	37%	37%	37%

⁽¹⁾ Actuals represent a trailing 12 months.

⁽²⁾ For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

Financial Strength Factor (40% Weighting) -- Low Business Risk Grid

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	19% - 27%	11% - 19%	5% - 11%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	15% - 23%	7% - 15%	0% - 7%
Debt / Capitalization	7.5%	40% - 50%	50% - 59%	59% - 67%

As of December 31, 2015	Senior Unsecured	Senior Secured	Commercial Paper
	Moody's	Moody's	Moody's
LKE	Baa1		
LG&E		A1	P-2
KU		A1	P-2

Definitions

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Balance Sheet - LKE Consolidated

November 2016

(\$ Millions)

	11/30/2016	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 28	\$ 14	\$ 14	Primarily due to the timing of cash balances impacted by payments associated with money pool transactions.
Accounts Receivable (Trade)	349	362	(13)	
Inventory	301	295	6	
Deferred Income Taxes	-	-	-	
Regulatory Assets Current	22	66	(44)	Primarily due to a decrease in the balance related to ECR as a result of an ECR roll-in to base rates and decrease in the FAC balance due to lower costs of native fuel expense.
Prepayments and other current assets	41	40	1	
Total Current Assets	742	778	(35)	
Property, Plant, and Equipment	11,552	11,848	(296)	
Intangible Assets	99	83	16	Amortization related to software classified as intangibles in budget versus PP&E in actuals.
Other Property and Investments	1	1	-	
Regulatory Assets Non Current	757	751	6	
Goodwill	997	997	-	
Other Long-term Assets	77	84	(8)	
Total Assets	\$ 14,226	\$ 14,542	\$ (317)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 226	\$ 270	\$ (44)	Primarily due to decrease in accruals and timing of other payables.
Dividends Payable to Affiliated Companies	92	(0)	92	
Customer Deposits	55	52	3	
Derivative Liability	5	5	(0)	
Accrued Taxes	68	108	(39)	Due to difference in assumption related to expected income tax extension settlement and budget did not reflect delayed timing of property tax payments that occurred in Q1. In Q3, NOL addition and utilization were actualized causing accrued taxes to decrease by \$16 mil (\$-13 mil LGE, \$-10 mil KU, +\$7 mil LKE Other).
Regulatory Liabilities Current	22	29	(7)	
Other Current Liabilities	185	195	(10)	
Total Current Liabilities	655	659	(5)	
Debt - Affiliated Company	559	420	139	Increase in affiliate debt due to payoff of \$75m credit facility and other funding needs. Budget assumed pay down of affiliate debt balance in March 2016 and quarterly pay off of any cash needed for operations on non quarter months. The forecast does not assume any pay off of the short term debt with affiliate. Prior years federal and state tax settlement generated \$10.5 mil in cash at LKE Other.
Debt ⁽¹⁾	4,826	5,028	(201)	
Total Debt	5,385	5,447	(62)	
Deferred Tax Liabilities	1,672	1,641	32	
Investment Tax Credit	132	125	7	
Accum Provision for Pension & Related Benefits	246	270	(23)	
Asset Retirement Obligation	383	506	(123)	Primarily due to ARO revaluation to reflect updates in the estimated cash flows for ash and environmental ponds as a result of further engineering refinements to the design.
Regulatory Liabilities Non Current	905	852	53	
Derivative Liability	37	42	(5)	
Other Liabilities	182	195	(13)	
Total Deferred Credits and Other Liabilities	3,558	3,630	(72)	
Equity	4,628	4,806	(178)	
Total Liabilities and Equity	\$ 14,226	\$ 14,542	\$ (317)	

⁽¹⁾ Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

November 2016

(\$ Millions)

	11/30/2016	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 5	\$ 5	\$ (0)	
Accounts Receivable (Trade)	153	156	(3)	
Inventory	152	146	7	
Deferred Income Taxes	-	-	-	
Regulatory Assets Current	9	25	(15)	Primarily due to a decrease in the balance related to ECR as a result of an ECR roll-in to base rates.
Prepayments and other current assets	36	32	4	
Total Current Assets	355	364	(9)	
Property, Plant, and Equipment	4,968	5,100	(132)	
Intangible Assets	6	(2)	8	
Other Property and Investments	1	1	-	
Regulatory Assets Non Current	414	417	(3)	
Goodwill	-	-	-	
Other Long-term Assets	17	19	(2)	
Total Assets	\$ 5,760	\$ 5,898	\$ (138)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 144	\$ 187	\$ (43)	Primarily due to decrease in accruals and timing of other payables.
Dividends Payable to Affiliated Companies	41	38	3	
Customer Deposits	26	25	1	
Derivative Liability	5	5	(0)	
Accrued Taxes	34	59	(26)	Due to difference in assumption related to expected income tax extension settlement and budget did not reflect delayed timing of property tax payments that occurred in Q1. Rebalancing NOL Addition in Q3 for the change in summer months income caused a \$9 mil decrease in Accrued Taxes.
Regulatory Liabilities Current	6	13	(6)	
Other Current Liabilities	79	69	10	Primarily due to reclassification of ARO liability from long-term to current.
Total Current Liabilities	336	397	(61)	
Debt - Affiliated Company	4	-	4	
Debt ⁽¹⁾	1,779	1,840	(61)	
Total Debt	1,783	1,840	(57)	
Deferred Tax Liabilities	944	924	20	
Investment Tax Credit	37	34	3	
Accum Provision for Pension & Related Benefits	19	39	(19)	Primarily due to additional pension contribution partially offset by roll forward of funded status, both of which are not included in budgeted amounts.
Asset Retirement Obligation	110	155	(45)	Primarily due to ARO revaluation to reflect updates in the estimated cash flows for ash and environmental ponds as a result of further engineering refinements to the design and reclassification of a portion of ARO liability from long-term to current.
Regulatory Liabilities Non Current	365	340	25	
Derivative Liability	37	42	(5)	
Other Liabilities	86	89	(3)	
Total Deferred Credits and Other Liabilities	1,598	1,622	(24)	
Equity	2,043	2,040	4	
Total Liabilities and Equity	\$ 5,760	\$ 5,898	\$ (138)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.

Balance Sheet - KU

November 2016

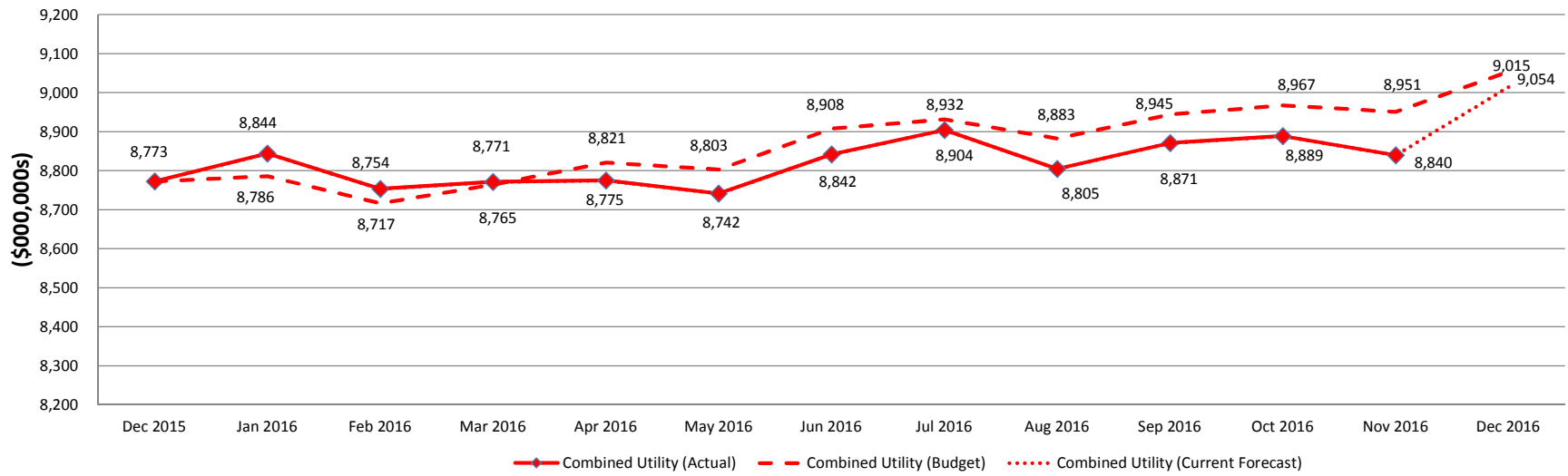
(\$ Millions)

	11/30/2016	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 24	\$ 5	\$ 18	Primarily due to the timing of cash balances impacted by payments associated with money pool transactions.
Accounts Receivable (Trade)	195	204	(9)	
Inventory	149	149	(0)	
Deferred Income Taxes	-	-	-	
Regulatory Assets Current	13	42	(29)	Primarily due to a decrease in the balance related to ECR as a result of an ECR roll-in to base rates and decrease in the FAC balance due to lower costs of native fuel expense.
Prepayments and other current assets	24	20	4	
Total Current Assets	404	420	(16)	
Property, Plant, and Equipment	6,576	6,740	(163)	
Intangible Assets	13	6	7	
Other Property and Investments	0	0	-	
Regulatory Assets Non Current	340	330	10	
Goodwill	-	-	-	
Other Long-term Assets	57	56	1	
Total Assets	\$ 7,391	\$ 7,552	\$ (161)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 115	\$ 127	\$ (12)	
Dividends Payable to Affiliated Companies	51	50	1	
Customer Deposits	29	26	2	
Derivative Liability	-	-	-	
Accrued Taxes	34	51	(17)	Due to difference in assumption related to expected income tax extension settlement and budget did not reflect delayed timing of property tax payments that occurred in Q1. IN Q3, KU had more NOL utilization than budget causing Accrued taxes to decrease by \$7 mil.
Regulatory Liabilities Current	16	16	(1)	
Other Current Liabilities	57	74	(17)	Primarily due to reclassification of ARO liability from long-term to current and timing of payables.
Total Current Liabilities	302	345	(43)	
Debt - Affiliated Company	-	-	-	
Debt ⁽¹⁾	2,324	2,386	(62)	
Total Debt	2,324	2,386	(62)	
Deferred Tax Liabilities	1,166	1,168	(2)	
Investment Tax Credit	95	91	4	
Accum Provision for Pension & Related Benefits	35	38	(3)	
Asset Retirement Obligation	273	351	(79)	Primarily due to ARO revaluation to reflect updates in the estimated cash flows for ash and environmental ponds as a result of further engineering refinements to the design.
Regulatory Liabilities Non Current	460	431	29	
Derivative Liability	-	-	-	
Other Liabilities	47	55	(9)	
Total Deferred Credits and Other Liabilities	2,076	2,135	(60)	
Equity	2,689	2,685	3	
Total Liabilities and Equity	\$ 7,391	\$ 7,552	\$ (161)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.

Rate Base Growth





Performance Report

December 2016

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Kentucky Regulated Dashboard

December 2016

	Current Month		YTD	
	Actual	PY	Actual	PY
Safety				
TCIR - Employees	1.11	2.63	1.12	1.22
Employee lost-time incidents	1	0	5	8
Reliability	Actual	Budget	Actual	Budget
Generation Volumes	3,015	3,022	33,930	34,964
Utility EFOR	0.8%	5.7%	5.3%	5.7%
Utility EAF	98.0%	82.3%	84.6%	82.3%
Steam Fleet Commercial Availability	99.8%	92.8%	94.0%	92.8%
Combined SAIFI	0.07	0.07	1.04	1.03
Combined SAIDI (minutes)	7.90	6.47	100.47	94.09
GwH Sales	Actual	Budget	Actual	Budget
Residential	1,050	975	10,632	10,847
Commercial	653	656	7,984	7,793
Industrial	757	854	9,374	10,089
Municipals	159	156	1,876	1,886
Other	222	239	2,839	2,798
Off-System Sales	97	18	301	322
Total	2,938	2,898	33,006	33,735
Weather-Normalized Sales Growth			TTM	
Residential			-0.03%	
Commercial			3.77%	
Industrial			-4.13%	
Municipal			0.38%	
Other			0.37%	
Total			-0.31%	

	Current Month		YTD	
	Actual	Budget	Actual	Budget
Margins (\$ millions)				
Electric Margins	\$157	\$157	\$1,838	\$1,870
Gas Margins	22	22	171	175
Capital Expenditures (\$ millions)	Actual	Budget	Actual	Budget
Total	\$88	\$59	\$764	\$955
O&M (\$ millions)⁽¹⁾	Actual	Budget	Actual	Budget
Total	\$57	\$54	\$695	\$731
Head Count	Actual	Budget	Actual	Budget
Full-time Employees	3,507	3,600	3,507	3,600
Other Metrics	Actual	PY	Actual	PY
Environmental Events	0	1	3	16
NERC Possible Violations ⁽²⁾	0	1	5	8

	TTM	
	Actual	Budget
Financial Metrics		
ROE ⁽³⁾	10.1%	9.8%

Variance Explanations
<ul style="list-style-type: none"> • YTD lower margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of \$30 million, \$6 million lower retail rate mechanism revenue and \$4 million lower gas margins. This was partially offset by \$5 million lower production costs and other margin components. • YTD lower O&M primarily due to lower labor and burden costs along with savings in plant maintenance, storm restoration, vegetation management, uncollectible accounts and outside services. • MTD capital expenditures were higher than budget primarily due to higher non-mechanism Power Generation spending. • YTD capital expenditures were lower than budget primarily due to lower ECR spending on Environmental Air projects at Mill Creek, and timing related to Cap and Closure projects and CCR projects at Trimble County.

Major Developments
<ul style="list-style-type: none"> • The November 2016 rate case filing for LG&E and KU is proceeding as planned, with LKE currently addressing data requests from the KPSC and other intervenors. On the due date for the initial round of discovery (second for the KPSC), the Companies received 3,400 data requests from the 16 parties in the case, with responses due 2 weeks later. • LG&E won another J.D. Power award for customer satisfaction, ranking first among the mid-sized utilities in the Midwest region in the 2017 Electric Utility Business Study. KU finished directly behind LG&E in second place. These results reflect our employees' continued focus on the customer experience. • The Mill Creek Environmental Air Compliance Project won the 2016 Coal-Fired Power Project of the Year Award presented at POWER_GEN International in Orlando Florida. Project of the year awards honor excellence in design, construction, and engineering of power generation facilities worldwide. Awards were presented to the best coal-fired, natural gas, renewable, and combined heat and power. • On December 29, there was an internal combustion in the Mill Creek Unit 1 coal pulverizer mill attributed to wet fuel. The force of the combustion caused a metal plate on the back side of the mill to separate from the mill and allowed the combustion to release outside of the mill. Six PIC contractor employees were treated for injuries and four were determined recordable incidents. Importantly, all six contractors are doing well. Reviews indicate there was no process, operator or human error involved. However, LKE is continuing its root cause analysis to determine whether there may be additional opportunities to improve the overall processes associated with burning wet coal. • Through the Company's 2016 annual charitable-giving campaign, Power of One, LKE donated more than \$1.8 million to Metro United Way, Fund for the Arts and Crusade for Children. The figure represented nearly a five percent increase over previous year's results, and was the highest amount ever pledged in the history of the campaign. More than 2/3 of LKE's employees participated through payroll deduction.

(1) Net of cost recovery mechanisms.
 (2) The possible violation issues are believed to be minimal risk.
 (3) Excludes goodwill and other purchase accounting adjustments.

Significant Future Events
<ul style="list-style-type: none"> • Regarding the Kentucky rate cases, intervenor testimony will be filed March 3, and the Company's rebuttal testimony will be filed April 14. A formal hearing has not been scheduled, however, it is expected to be in late April or early May.

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
December 2016

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 249	\$ 256	\$ (7)	Due to lower FAC revenues based on the lower fuel costs shown below.
Gas Revenues	47	49	(2)	
Total Revenues	296	304	(9)	
Cost of Sales:				
Fuel Electric Costs	71	78	7	Primarily due to lower commodity costs.
Gas Supply Expenses	25	27	2	
Purchased Power	6	4	(2)	
Other Electric Cost	14	16	2	
Total Cost of Sales	117	125	9	
Gross Margin:				
Electric Margin	157	157	0	
Gas Margin	22	22	0	
Total Gross Margin	179	179	0	
Operating Expenses:				
O&M	57	54	(3)	
Depreciation & Amortization	29	30	1	
Taxes, Other than Income	5	5	0	
Total Operating Expenses	91	90	(2)	
Other income (expense)	(1)	(1)	0	
EBIT	87	89	(1)	
Interest Expense	19	18	(1)	
Income from Ongoing Operations before income taxes	68	70	(2)	
Income Tax Expense	25	27	2	
Net Income (loss) from ongoing operations	43	44	\$ (0)	
Discontinued Operations	0	(0)	0	
Net Income (loss)	\$ 43	\$ 44	\$ (0)	
KY Regulated Financing Costs	(3)	(3)	(0)	
KY Regulated Net Income	\$ 41	\$ 41	\$ (0)	
Earnings Per Share - Ongoing	\$ 0.06	\$ 0.06	\$ (0.00)	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated

December 2016

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,849	\$ 3,011	\$ (162)	Due to lower volumes driven by unfavorable weather, ECR revenue and lower FAC revenue from lower fuel costs (see below).
Gas Revenues	295	330	(35)	See Gas Supply Expenses explanation below.
Total Revenues	3,145	3,342	(197)	
Cost of Sales:				
Fuel Electric Costs	794	901	108	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	125	155	31	Due to lower gas usage (mild weather) and prices as well as lower net purchases.
Purchased Power	57	58	1	
Other Electric Cost	160	182	22	Due to lower coal generation and lower ECR consumables expense and scrubber reactant expense.
Total Cost of Sales	1,136	1,296	161	
Gross Margin:				
Electric Margin	1,838	1,870	(32)	Lower margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of \$30 million and \$6 million lower retail rate mechanism revenue. This was partially offset by \$5 million lower production costs and other margin components.
Gas Margin	171	175	(4)	
Total Gross Margin	2,009	2,045	(37)	
Operating Expenses:				
O&M	695	731	37	Lower O&M primarily due to lower labor and burden costs along with savings in plant maintenance, storm restoration, vegetation management, uncollectible accounts and outside services.
Depreciation & Amortization	348	359	10	Lower depreciation primarily due to project completion and spending updates as well as higher level of retirements this year.
Taxes, Other than Income	57	56	(0)	
Total Operating Expenses	1,100	1,146	47	
Other income (expense)	(11)	(7)	(4)	
EBIT	898	892	6	
Interest Expense	214	217	3	
Income from Ongoing Operations before income taxes	685	675	10	
Income Tax Expense	257	257	1	
Net Income (loss) from ongoing operations	428	417	\$ 11	
Discontinued Operations	0	(0)	1	
Net Income (loss)	\$ 428	\$ 417	\$ 11	
KY Regulated Financing Costs	(30)	(30)	(0)	
KY Regulated Net Income	\$ 398	\$ 387	\$ 11	
Earnings Per Share - Ongoing	\$ 0.58	\$ 0.57	\$ 0.01	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LG&E
December 2016

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,139	\$ 1,178	\$ (39)	Due to lower ECR revenue and lower FAC revenue from lower fuel costs (see below).
Gas Revenues	295	330	(35)	See Gas Supply Expenses explanation below.
Total Revenues	1,434	1,508	(74)	
Cost of Sales:				
Fuel Electric Costs	306	331	25	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	125	155	31	Due to lower gas usage (mild weather) and prices
Purchased Power	54	60	6	Lower purchased power due to lower commodity prices.
Other Electric Cost	62	74	12	Due to lower coal generation and lower ECR consumables expense and scrubber reactant expense.
Total Cost of Sales	547	621	74	
Gross Margin:				
Electric Margin	716	712	4	
Gas Margin	171	175	(4)	
Total Gross Margin	887	887	(0)	
Operating Expenses:				
O&M	312	332	19	Lower O&M primarily due to timing of plant maintenance and outages, vegetation management, storm restoration and labor and burden savings.
Depreciation & Amortization	141	146	5	Lower depreciation primarily due to project completion and spending updates as well as higher level of retirements this year.
Taxes, Other than Income	28	28	(0)	
Total Operating Expenses	481	505	24	
Other income (expense)	(6)	(2)	(3)	
EBIT	400	380	20	
Interest Expense	71	71	(0)	
Income from Ongoing Operations before income taxes	329	309	20	
Income Tax Expense	126	118	(7)	Due to higher pre-tax income.
Net Income (loss) from ongoing operations	203	191	\$ 13	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - KU
December 2016

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,749	\$ 1,892	\$ (143)	Due to lower volumes driven by unfavorable weather, lower ECR revenue and lower FAC revenue from lower fuel costs (see below).
Gas Revenues	-	-	-	
Total Revenues	1,749	1,892	(143)	
Cost of Sales:				
Fuel Electric Costs	491	575	83	Primarily due to lower commodity costs and decreased generation as a result of mild weather.
Gas Supply Expenses	-	-	-	
Purchased Power	38	51	13	Lower purchased power due to lower commodity prices.
Other Electric Cost	98	108	10	Due to lower coal generation and lower ECR consumables expense and scrubber reactant expense.
Total Cost of Sales	628	734	106	
Gross Margin:				
Electric Margin	1,122	1,158	(36)	Primarily related to lower Electric Revenues. See explanation above.
Gas Margin	-	-	-	
Total Gross Margin	1,122	1,158	(36)	
Operating Expenses:				
O&M	357	379	22	Lower O&M primarily due to timing of plant maintenance, lower storm restoration, vegetation management and outside services along with labor and burden savings.
Depreciation & Amortization	207	212	5	
Taxes, Other than Income	28	28	0	Lower depreciation primarily due to project completion and spending updates as well as higher level of retirements this year.
Total Operating Expenses	593	620	27	
Other income (expense)	(4)	(4)	(1)	
EBIT	524	534	(10)	
Interest Expense	96	98	2	
Income from Ongoing Operations before income taxes	429	436	(8)	
Income Tax Expense	163	166	3	
Net Income (loss) from ongoing operations	265	270	\$ (5)	

Note: Schedules may not sum due to rounding.

LKE Electric Margin

	Actual	Budget	Variance
Base Energy	88	86	3 ▲
Demand	42	44	(2) ▼
Base Service Charge	14	14	0 ▲
Rate Mechanisms	15	17	(2) ▼
Other Rev/Cost of Sales	(0)	(1)	1 ▲
Other Margin Items	(2)	(2)	0 ▲
Total	157	157	0

LG&E Electric Margin

	Actual	Budget	Variance
Base Energy	32	31	1 ▲
Demand	14	14	0 ▲
Base Service Charge	6	6	(0) ▼
Rate Mechanisms	7	8	(1) ▼
Other Rev/Cost of Sales	0	(0)	0 ▲
Other Margin Items	(2)	(2)	(0) ▼
Total	57	56	1

KU Electric Margin

	Actual	Budget	Variance
Base Energy	57	55	2 ▲
Demand	28	30	(2) ▼
Base Service Charge	8	8	0 ▲
Rate Mechanisms	7	8	(1) ▼
Other Rev/Cost of Sales	(0)	(0)	0 ▲
Other Margin Items	0	(0)	0 ▲
Total	100	101	(1) ▼

LKE Base Energy Price/Vol Variance

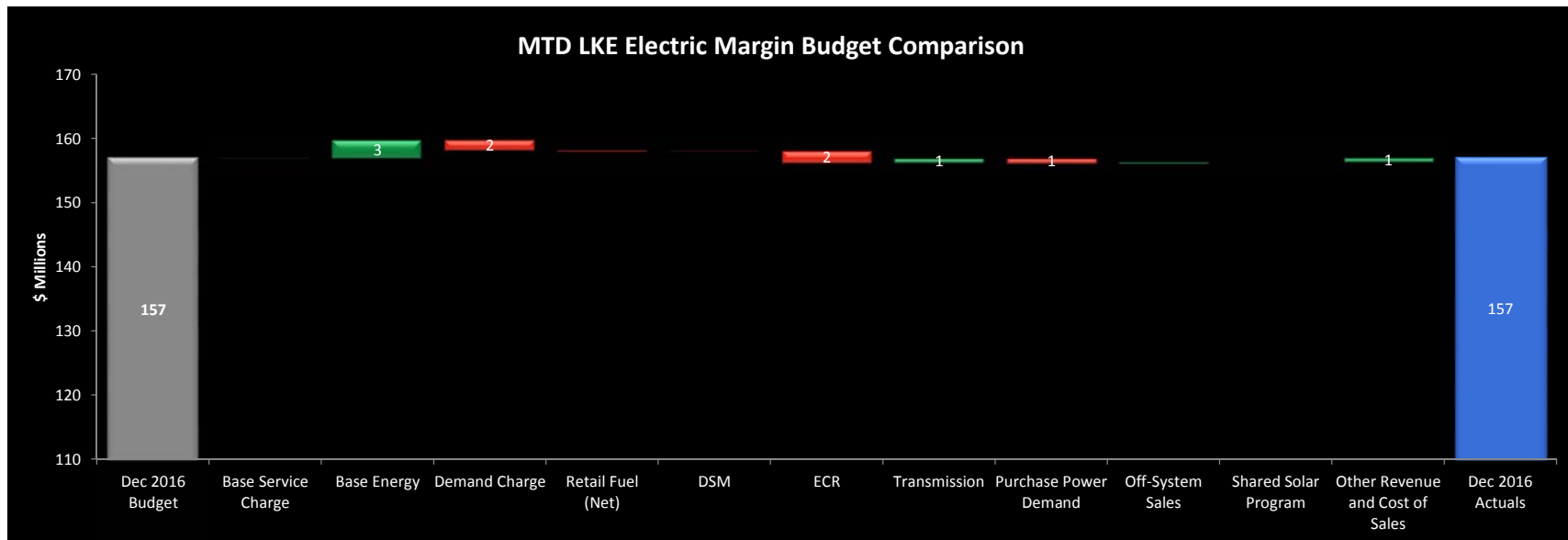
	Volume	Price	Total Variance
Residential	4	1	5
Commercial	(0)	(1)	(1)
Industrial	(1)	0	(1)
Public Authority	(0)	0	(0)
Street Lights	(0)	0	0
Municipals	0	(0)	(0)
Other	0	0	0
Total	3	0	3

LG&E Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	1	0	1
Commercial	0	(0)	(0)
Industrial	(0)	0	(0)
Public Authority	(0)	0	0
Street Lights	0	0	0
Municipals	0	0	0
Other	0	0	0
Total	1	0	1

KU Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	3	0	3
Commercial	(0)	(0)	(1)
Industrial	(0)	0	(0)
Public Authority	(0)	(0)	(0)
Street Lights	(0)	0	0
Municipals	0	(0)	(0)
Other	0	0	0
Total	2	(0)	2



Note: For additional detailed information, please refer to the monthly Margin results files per Revenue Accounting & Analysis Department.

LKE Electric Margin

	Actual	Budget	Variance
Base Energy	963	978	(15) ▼
Demand	543	559	(15) ▼
Base Service Charge	165	165	(0) ▼
Rate Mechanisms	190	197	(6) ▼
Other Rev/Cost of Sales	(4)	(7)	3 ▲
Other Margin Items	(20)	(21)	2 ▲
Total	1838	1870	(32) ▼

LG&E Electric Margin

	Actual	Budget	Variance
Base Energy	392	391	1 ▲
Demand	180	178	1 ▲
Base Service Charge	67	68	(1) ▼
Rate Mechanisms	98	100	(2) ▼
Other Rev/Cost of Sales	(0)	(2)	2 ▲
Other Margin Items	(20)	(22)	2 ▲
Total	716	712	4 ▲

KU Electric Margin

	Actual	Budget	Variance
Base Energy	571	587	(16) ▼
Demand	364	380	(17) ▼
Base Service Charge	98	97	0 ▲
Rate Mechanisms	92	97	(4) ▼
Other Rev/Cost of Sales	(4)	(5)	1 ▲
Other Margin Items	1	1	(0) ▼
Total	1122	1158	(36) ▼

LKE Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(11)	6	(5)
Commercial	6	(10)	(4)
Industrial	(6)	2	(3)
Public Authority	1	(1)	0
Street Lights	(2)	2	0
Municipals	(0)	(3)	(3)
Other	0	0	0
Total	(12)	(3)	(15)

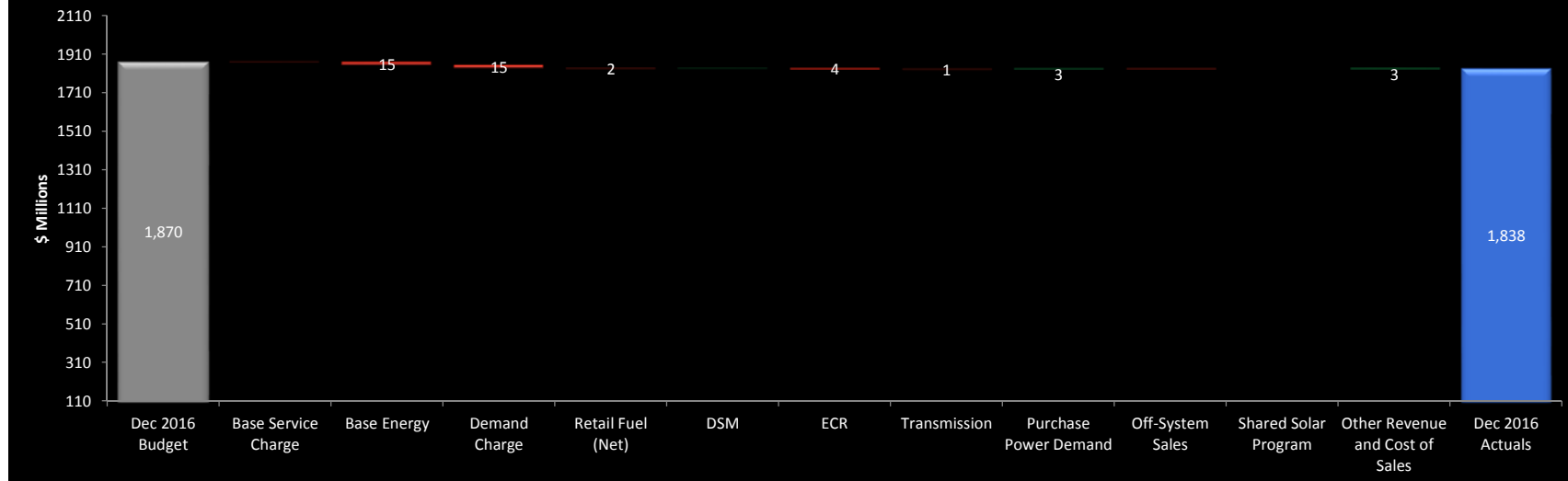
LG&E Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(2)	3	0
Commercial	7	(6)	1
Industrial	(3)	1	(2)
Public Authority	1	0	1
Street Lights	0	(0)	0
Municipals	0	0	0
Other	0	0	0
Total	3	(1)	1

KU Base Energy Price/Vol Variance

	Volume	Price	Total Variance
Residential	(9)	4	(5)
Commercial	(1)	(4)	(5)
Industrial	(3)	1	(2)
Public Authority	(0)	(1)	(1)
Street Lights	(2)	2	(0)
Municipals	(0)	(3)	(3)
Other	0	0	0
Total	(15)	(1)	(16)

YTD LKE Electric Margin Budget Comparison



Note: For additional detailed information, please refer to the monthly Margin results files per Revenue Accounting & Analysis Department.

Gas Gross Margin

December 2016

(\$ Millions)

	MTD				YTD			
	Actual	Budget	Subtotal	Margin Variance	Actual	Budget	Subtotal	Margin Variance
Gas Base Service Charge	\$ 5	\$ 5		0	\$ 62	\$ 62		(0)
Gas Supply Costs								
Gas Supply Costs	(24)	(25)	2		(113)	(142)	29	
GSC Revenue	24	25	(1)		115	142	(28)	
Net Gas Supply Costs				1				1
Retail Gas (a)	15	15		(0)	85	96		(10)
DSM	0	0		(0)	0	1		(1)
GLT	1	1		0	15	15		1
WNA	(0)	-		(0)	5	-		5
Other Margin	0	0		(0)	1	2		(0)
Gas Margin Variance				0				(4)

(a) Retail and wholesale gas sales - excludes GSC

	MTD								
	Actual			Budget			Variance		
	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume \$mil	Price \$mil
Residential	\$ 10	3,602,104	\$ 2.87	\$ 10	3,649,287	\$ 2.87	(\$0.1)	(\$0.1)	(\$0.0)
Commercial	3	1,532,492	2.15	3	1,404,543	2.14	\$0.3	\$0.3	\$0.0
Industrial	0	165,370	2.22	0	198,224	2.20	(\$0.1)	(\$0.1)	\$0.0
Public Authority	0	208,456	2.12	0	220,240	2.11	(\$0.0)	(\$0.0)	\$0.0
Transportation	1	1,486,680	0.52	1	1,558,556	0.48	\$0.0	(\$0.0)	\$0.1
Interdepartmental	0	41,898	4.78	0	12,722	23.42	(\$0.1)	\$0.7	(\$0.8)
Ultimate Consumer	\$ 15	7,037,000	\$ 2.19	\$ 15	7,043,572	\$ 2.19	(\$0.0)	\$0.7	(\$0.7)

	YTD								
	Actual			Budget			Variance		
	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume (Mcf)	Price (\$/Mcf)	Revenue \$mil	Volume \$mil	Price \$mil
Residential	\$ 52	18,156,424	\$ 2.87	\$ 60	20,950,296	\$ 2.87	(\$8)	(8)	(0)
Commercial	18	8,485,621	2.10	19	8,953,763	2.13	(\$1)	(1)	(0)
Industrial	3	1,247,075	2.01	3	1,525,714	2.13	(\$1)	(1)	(0)
Public Authority	2	1,150,393	2.05	3	1,432,975	2.07	(\$1)	(1)	(0)
Transportation	7	13,891,238	0.51	6	12,959,706	0.50	\$1	\$0	\$0
Interdepartmental	4	354,052	9.91	4	1,222,879	2.97	(\$0)	(\$3)	\$2
Ultimate Consumer	\$ 85	43,284,803	\$ 1.97	\$ 96	47,045,332	\$ 2.03	(\$10)	(\$12)	\$2

(\$ Millions)

	MTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	15	13	(1)	0	0	(1)	0	(0)
Project Engineering	0	0	0	0	-	(0)	(0)	0
Transmission	3	2	(0)	(0)	(0)	(0)	0	0
Energy Supply and Analysis	1	1	(0)	(0)	-	0	0	(0)
Generation Services	1	1	0	(0)	(0)	0	(0)	0
Electric Distribution	5	6	0	(0)	1	(1)	(0)	(0)
Gas Distribution	3	3	(0)	(0)	(0)	(0)	(0)	0
Safety and Technical Training	0	0	0	(0)	(0)	0	0	0
Customer Services	7	7	0	(0)	0	0	(0)	1
Chief Operations Officer	35	33	(2)	(1)	1	(2)	(0)	0
General Counsel	3	3	(1)	(0)	0	(1)	(0)	0
Human Resources	1	1	0	0	(0)	(0)	0	0
General Counsel & HR	4	3	(1)	(0)	0	(1)	(0)	0
Audit Services	0	0	0	0	-	(0)	(0)	0
Controller	1	1	(0)	(0)	-	(0)	0	0
Supply Chain	0	0	(0)	(0)	(0)	0	0	(0)
Treasurer	1	1	0	(0)	-	(0)	(0)	0
State Regulation and Rates	0	0	(0)	(0)	-	0	(0)	(0)
Chief Financial Officer	3	2	(0)	(0)	(0)	(0)	(0)	0
Information Technology	5	5	0	0	0	0	(0)	(0)
Corporate	11	11	(1)	0	(0)	0	0	(1)
O&M Total MTD	57	54	(3)	(1)	1	(3)	(0)	(0)

	YTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	197	206	9	3	(3)	2	12	(5)
Project Engineering	0	1	0	0	(0)	(0)	(0)	0
Transmission	29	30	1	0	0	(0)	0	1
Energy Supply and Analysis	8	9	0	0	(0)	0	0	0
Generation Services	14	15	1	0	(0)	1	(0)	1
Electric Distribution	68	73	4	(1)	7	(3)	(0)	1
Gas Distribution	33	34	0	1	(1)	0	0	0
Safety and Technical Training	5	5	0	(0)	(0)	0	0	0
Customer Services	82	87	5	1	0	1	0	3
Chief Operations Officer	437	459	22	5	3	1	12	1
General Counsel	29	32	2	0	0	0	0	2
Human Resources	6	7	1	0	(0)	0	0	0
General Counsel & HR	36	39	3	0	0	0	0	2
Audit Services	2	2	0	0	-	(0)	0	0
Controller	10	10	0	(0)	-	(0)	0	0
Supply Chain	4	4	(0)	(0)	(0)	0	0	(0)
Treasurer	11	11	0	(0)	-	(0)	(0)	1
State Regulation and Rates	4	3	(0)	(0)	-	0	(0)	0
Chief Financial Officer	30	30	0	(1)	(0)	(0)	(0)	1
Information Technology	55	60	5	3	(0)	1	0	0
Corporate	138	144	6	6	(3)	3	(1)	1
O&M Total YTD	695	731	37	13	1	5	12	6

Note: Schedules may not sum due to rounding.

Attachment to Filing Requirement

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Blake

Financing Activities
December 2016

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 923.9	\$ 923.8	\$ (0.1)
End Bal	898.8	923.8	25.0
Ave Bal	\$ 911.3	\$ 923.8	\$ 12.5
Interest Exp	\$ 12.9	\$ 13.9	\$ 1.0
Rate	1.40%	1.48%	0.08%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,210.0	\$ 4,210.0	\$ -
End Bal	4,210.0	4,210.0	-
Ave Bal	\$ 4,210.0	\$ 4,210.0	\$ -
Interest Exp	\$ 177.2	\$ 177.2	\$ (0.0)
Rate	4.14%	4.14%	0.00%
Short-term Debt			
Beg Bal	\$ 318.9	\$ 353.7	\$ 34.8
End Bal	348.1	347.7	(0.4)
Ave Bal	\$ 333.5	\$ 350.7	\$ 17.2
Interest Exp	\$ 3.9	\$ 4.8	\$ 0.8
Rate	1.15%	1.33%	0.18%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (46.3)	\$ (40.3)	\$ 6.0
End Bal	(44.0)	(39.6)	4.4
Ave Bal	\$ (45.2)	\$ (40.0)	\$ 5.2
Total End Bal	\$ 5,412.9	\$ 5,441.9	\$ 29.0
Total Average Bal	\$ 5,409.7	\$ 5,444.5	\$ 34.9
Total Expense Excl I/C ⁽¹⁾	\$ 213.8	\$ 217.2	\$ 3.4
Rate	3.86%	3.89%	0.04%

⁽¹⁾ Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed		Letters of Credit Issued	Unused Capacity
	Capacity	Borrowed ⁽²⁾		
LKE	\$ 300	\$ 163		\$ 137
LG&E	500	169		331
KU	598	16	\$ 198	384
TOTAL	\$ 1,398	\$ 348	\$ 198	\$ 852

⁽²⁾ LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2016		LG&E 2016		KU 2016	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	20%	19%	28%	27%	26%	27%
CFO pre-WC + Interest / Interest	6.0	5.7	8.0	8.0	7.3	7.6
CFO pre-WC - Dividends / Debt	15%	15%	25%	25%	16%	17%
Debt to Capitalization ⁽²⁾	47%	47%	38%	39%	38%	38%

Credit Metrics Moody's	LKE 2016 BP		LG&E 2016 BP		KU 2016 BP	
	2017	2018	2017	2018	2017	2018
CFO pre-WC / Debt	19%	20%	28%	29%	28%	26%
CFO pre-WC + Interest / Interest	5.8	5.7	7.9	7.8	7.7	7.2
CFO pre-WC - Dividends / Debt	12%	12%	20%	20%	19%	19%
Debt to Capitalization ⁽²⁾	45%	45%	38%	37%	37%	37%

⁽¹⁾ Actuals represent a trailing 12 months.

⁽²⁾ For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

Financial Strength Factor (40% Weighting) -- Low Business Risk Grid

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	19% - 27%	11% - 19%	5% - 11%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	15% - 23%	7% - 15%	0% - 7%
Debt / Capitalization	7.5%	40% - 50%	50% - 59%	59% - 67%

As of December 31, 2015	Senior Unsecured	Senior Secured	Commercial Paper
	Moody's	Moody's	Moody's
LKE	Baa1		
LG&E		A1	P-2
KU		A1	P-2

Definitions

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Balance Sheet - LKE Consolidated

December 2016

(\$ Millions)

	12/31/2016	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 13	\$ 14	\$ (1)	
Accounts Receivable (Trade)	409	399	10	
Inventory	297	279	18	
Deferred Income Taxes	-	-	-	
Regulatory Assets Current	20	67	(47)	Primarily due to a decrease in the balance related to ECR as a result of an ECR roll-in to base rates, decrease in the FAC balance due to lower costs of native fuel expense and decrease in the Muni True-Up due to lower tariff rates used in the budget.
Prepayments and other current assets	40	38	2	
Total Current Assets	779	797	(18)	
Property, Plant, and Equipment	11,598	11,842	(243)	
Intangible Assets	95	103	(9)	
Other Property and Investments	1	1	(0)	
Regulatory Assets Non Current	824	755	69	
Goodwill	997	997	-	
Other Long-term Assets	77	85	(9)	
Total Assets	\$ 14,371	\$ 14,581	\$ (210)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 257	\$ 276	\$ (19)	
Dividends Payable to Affiliated Companies	-	-	-	
Customer Deposits	56	52	4	
Derivative Liability	4	5	(1)	
Accrued Taxes	39	55	(16)	Decrease is primarily due to the timing of income tax accruals versus settlements in actuals. \$20m is due to difference between 2016 settlements and provision, the budget assumes accrual matches settlements. \$(21)m is due to audit settlements, including NOL true-ups. \$(17)m is due to difference in 2015 extension/final settlements made in 2016. The remaining \$2m is timing of property tax payments and accruals.
Regulatory Liabilities Current	18	29	(11)	Primarily due to lower balances related to GSC and FAC.
Other Current Liabilities	212	210	2	
Total Current Liabilities	586	627	(41)	
Debt - Affiliated Company	563	400	163	Increase in affiliate debt due to payoff of \$75m credit facility and other funding needs. Budget assumed pay down of affiliate debt balance in March 2016 and quarterly pay off of any cash needed for operations on non quarter months. The forecast does not assume any pay off of the short term debt with affiliate.
Debt ⁽¹⁾	4,850	5,042	(192)	
Total Debt	5,413	5,442	(29)	
Deferred Tax Liabilities	1,735	1,700	35	
Investment Tax Credit	132	125	8	
Accum Provision for Pension & Related Benefits	350	270	80	
Asset Retirement Obligation	373	508	(135)	Primarily due to ARO revaluation, reclassification of a portion of ARO liability from long-term to current and RWIP expenditures.
Regulatory Liabilities Non Current	899	846	53	
Derivative Liability	27	42	(15)	Due to change market interest rates and termination of interest rate swap in December 2016.
Other Liabilities	190	192	(2)	
Total Deferred Credits and Other Liabilities	3,706	3,682	24	
Equity	4,667	4,830	(164)	
Total Liabilities and Equity	\$ 14,371	\$ 14,581	\$ (210)	

⁽¹⁾ Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

December 2016

(\$ Millions)

	12/31/2016	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 5	\$ 5	\$ (0)	
Accounts Receivable (Trade)	186	178	8	
Inventory	143	136	8	
Deferred Income Taxes	-	-	-	
Regulatory Assets Current	9	25	(15)	Primarily due to a decrease in the balance related to ECR as a result of an ECR roll-in to base rates.
Prepayments and other current assets	49	33	16	Primarily due to increase in accounts receivable from affiliate company for higher capital expenditures and fuel.
Total Current Assets	392	376	16	
Property, Plant, and Equipment	4,993	5,099	(106)	
Intangible Assets	6	9	(3)	
Other Property and Investments	1	1	-	
Regulatory Assets Non Current	449	418	31	
Goodwill	-	-	-	
Other Long-term Assets	17	20	(3)	
Total Assets	\$ 5,857	\$ 5,922	\$ (65)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 174	\$ 190	\$ (16)	
Dividends Payable to Affiliated Companies	-	-	-	
Customer Deposits	27	25	1	
Derivative Liability	4	5	(1)	
Accrued Taxes	40	28	12	Increase is primarily due to the timing of income tax accruals versus settlements in actuals. \$41m is due to difference between 2016 settlements and provision, the budget assumes accrual matches settlements. \$(23)m is due to audit settlements, including NOL true-ups. \$(5)m is due to difference in 2015 extension/final settlements made in 2016. The remaining \$(1)m is timing of property tax payments.
Regulatory Liabilities Current	5	13	(7)	
Other Current Liabilities	87	73	15	Primarily due to reclassification of ARO liability from long-term to current.
Total Current Liabilities	338	334	3	
Debt - Affiliated Company	-	-	-	
Debt ⁽¹⁾	1,786	1,844	(57)	
Total Debt	1,786	1,844	(57)	
Deferred Tax Liabilities	974	955	19	
Investment Tax Credit	36	33	3	
Accum Provision for Pension & Related Benefits	53	38	15	
Asset Retirement Obligation	104	155	(51)	Primarily due to ARO revaluation, reclassification of a portion of ARO liability from long-term to current and RWIP expenditures.
Regulatory Liabilities Non Current	366	339	27	
Derivative Liability	27	42	(15)	Due to change market interest rates and termination of interest rate swap in December 2016.
Other Liabilities	87	88	(1)	
Total Deferred Credits and Other Liabilities	1,647	1,651	(4)	
Equity	2,086	2,093	(7)	
Total Liabilities and Equity	\$ 5,857	\$ 5,922	\$ (65)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.

Balance Sheet - KU

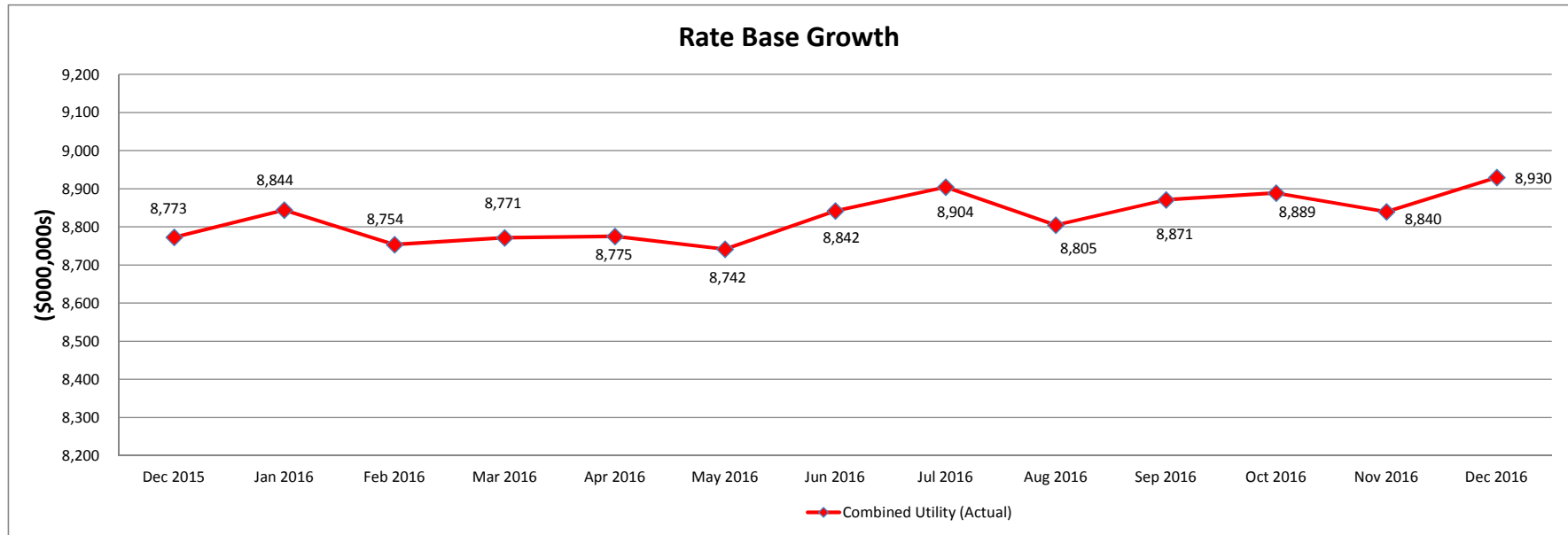
December 2016

(\$ Millions)

	12/31/2016	YTD Budget	Variance	Comments	
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 7	\$ 5	\$ 2	Primarily due to a decrease in the balance related to ECR as a result of an ECR roll-in to base rates, decrease in the FAC balance due to lower costs of native fuel expense and decrease in the Muni True-Up due to lower tariff rates used in the budget.	
Accounts Receivable (Trade)	222	220	3		
Inventory	154	144	11		
Deferred Income Taxes	-	-	-		
Regulatory Assets Current	10	42	(32)		
Prepayments and other current assets	18	18	0		
Total Current Assets	413	429	(16)		
Property, Plant, and Equipment	6,597	6,735	(137)		
Intangible Assets	13	16	(4)		
Other Property and Investments	0	0	-		
Regulatory Assets Non Current	372	335	37		
Goodwill	-	-	-		
Other Long-term Assets	57	57	1		
Total Assets	\$ 7,453	\$ 7,572	\$ (119)		
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	\$ 134	\$ 132	\$ 2	Increase is primarily due to the timing of income tax accruals versus settlements in actuals. \$29m is due to audit settlements, including NOL true-ups. \$(12)m is due to difference in 2015 extension/final settlements made in 2016. The remaining \$3m is timing of property tax payments and accruals.	
Dividends Payable to Affiliated Companies	-	-	-		
Customer Deposits	29	26	3		
Derivative Liability	-	-	-		
Accrued Taxes	45	26	20		
Regulatory Liabilities Current	13	16	(3)		
Other Current Liabilities	71	81	(11)		
Total Current Liabilities	292	281	11		
Debt - Affiliated Company	-	-	-		Primarily due to reclassification of ARO liability from long-term to current and timing of payables and lower credit cash adjustment consisting of last day ACH's, wires and outstanding checks not yet funded.
Debt ⁽¹⁾	2,341	2,397	(56)		
Total Debt	2,341	2,397	(56)		
Deferred Tax Liabilities	1,170	1,208	(38)	Primarily due to ARO revaluation.	
Investment Tax Credit	96	91	5		
Accum Provision for Pension & Related Benefits	62	38	24		
Asset Retirement Obligation	269	353	(84)		
Regulatory Liabilities Non Current	457	429	28		
Derivative Liability	-	-	-		
Other Liabilities	50	54	(4)		
Total Deferred Credits and Other Liabilities	2,104	2,173	(69)		
Equity	2,717	2,721	(4)		
Total Liabilities and Equity	\$ 7,453	\$ 7,572	\$ (119)		

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.



KU and LG&E Combined
 Reconciliation of Allowed Return to
 Net Income Last Rate Case Regulatory Return
 and ROE from Ongoing Operations

Allowed Return (1)	10.0%	
Adjustments (net tax):		
Change in capitalization - non mechanism	-0.1%	Growth in capitalization (rate base) between rate cases does not earn a return
Change in ROE from average mechanism rate base growth	0.0%	Mechanisms have a real-time return
Change in weighted cost of debt	-0.1%	Higher interest rates
Change in margins	-0.5%	Lower sales
Change in allowed expenses	0.7%	Lower depreciation expense
	0.0%	
Actual Regulated ROE	10.1%	

(1) Based on the most recent base rate filings with test years ending 6/30/16 KPSC, 12/31/15 FERC, 12/31/14 VA.



Performance Report

January 2017

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	Current Month		Full Year	
	Actual	PY	Forecast	PY
Safety				
TCIR - Employees ⁽¹⁾	0.46	0.90	1.35	1.12
Employee lost-time incidents	0	0	8	5
Reliability				
Generation Volumes	2,917	3,213	34,129	34,425
Utility EFOR	2.8%	5.5%	N/A	5.5%
Utility EAF	85.1%	92.5%	N/A	85.2%
Steam Fleet Commercial Availability	94.3%	93.0%	N/A	93.0%
Combined SAIFI	0.08	0.09	N/A	1.03
Combined SAIDI (minutes)	6.11	7.81	N/A	93.20
GwH Sales				
Residential	1,040	1,174	10,533	10,668
Commercial	657	678	7,860	7,882
Industrial	712	786	9,631	9,706
Municipals	158	175	1,828	1,846
Other	226	236	2,744	2,753
Off-System Sales	71	21	294	244
Total	2,864	3,070	32,890	33,098
Weather-Normalized Sales Growth				
	TTM			
Residential	-1.15%			
Commercial	3.95%			
Industrial	-3.47%			
Municipal	0.22%			
Other	0.89%			
Total	-0.38%			

	Current Month		Full Year	
	Actual	Budget	Forecast	Budget
Margins (\$ millions)				
Electric Margins	\$160	\$171	\$1,936	\$1,948
Gas Margins	\$24	\$25	\$181	\$183
Capital Expenditures (\$ millions)				
Total	\$46	\$52	\$1,107	\$1,107
O&M (\$ millions)⁽²⁾				
Total	\$55	\$56	\$749	\$749
Head Count				
Full-time Employees	3,516	3,605	3,591	3,591
Other Metrics				
Environmental Events	1	0	N/A	3
NERC Possible Violations ⁽³⁾	1	0	N/A	5

	TTM	Full Year	
	Actual	Forecast	Budget
Financial Metrics			
ROE ⁽⁴⁾	9.8%	9.8%	9.8%

Variance Explanations
<ul style="list-style-type: none"> Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of \$12 million.

Major Developments
<ul style="list-style-type: none"> In both Louisville and Lexington, January 2017 ranked as the second warmest in the past 20 years. The month of February has also begun with a similar weather pattern and mild temperatures. Retail load continues to be impacted by these conditions. LKE employees' continued focus on the customer experience has led to another J.D. Power award. LG&E was named the top-ranking utility in the Midwest segment in the newly released J.D. Power and Associates 2016 Calendar-Year Gas Business Customer Satisfaction Study. In the survey, the Company also was recognized as the top performer nationwide in the customer service category. Between LG&E and KU, the Utilities were the top-ranked utility within their respective segments in all four J.D. Power studies this past year. The Company filed over 3,400 responses to data requests (first round with intervenors) in its rate cases at the KPSC, and is addressing responses to 1,500 supplemental data requests which are due on February 20. The formal public hearing has also been scheduled to begin on May 2. Company representatives were joined by Lexington city and community leaders to unveil KU's new publicly available electric vehicle charging station. LKE has installed three charging stations in Louisville and two in Lexington. There are three additional stations planned for both the LG&E and KU service territories during 2017.

(1) Full year forecast amount shown represents target.
 (2) Net of cost recovery mechanisms.
 (3) The possible violation issues for YTD Actual is believed to be minimal risk.
 (4) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

Significant Future Events
<ul style="list-style-type: none"> Regarding the Kentucky rate cases, intervenor testimony will be filed March 3, and the Company's rebuttal testimony will be submitted April 14.

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated
January 2017

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 251	\$ 268	\$ (17)	Due primarily to lower sales volumes driven by mild weather.
Gas Revenues	48	54	(7)	Due primarily to lower sales volumes driven by mild weather.
Total Revenues	299	322	(24)	
Cost of Sales:				
Fuel Electric Costs	72	78	6	Primarily due to decreased generation as a result of mild weather.
Gas Supply Expenses	24	29	6	Due to lower gas usage (mild weather).
Purchased Power	5	5	(0)	
Other Electric Cost	14	14	0	
Total Cost of Sales	115	126	11	
Gross Margin:				
Electric Margin	160	171	(11)	Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue.
Gas Margin	24	25	(1)	
Total Gross Margin	184	196	(12)	
Operating Expenses:				
O&M	55	56	2	
Depreciation & Amortization	30	30	0	
Taxes, Other than Income	5	5	0	
Total Operating Expenses	89	91	2	
Other income (expense)	(1)	(1)	(0)	
EBIT	94	104	(10)	
Interest Expense	18	18	0	
Income from Ongoing Operations before income taxes	76	86	(10)	
Income Tax Expense	29	33	4	
Net Income (loss) from ongoing operations	47	53	\$ (6)	
Discontinued Operations	(0)	(0)	0	
Net Income (loss)	\$ 47	\$ 53	\$ (6)	
KY Regulated Financing Costs	(3)	(3)	(0)	
KY Regulated Net Income	\$ 45	\$ 50	\$ (6)	
Earnings Per Share - Ongoing	\$ 0.07	\$ 0.07	\$ (0.01)	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LG&E
January 2017

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 98	\$ 99	\$ (1)	
Gas Revenues	48	54	(7)	Due primarily to lower sales volumes driven by mild weather.
Total Revenues	145	153	(8)	
Cost of Sales:				
Fuel Electric Costs	31	29	(2)	
Gas Supply Expenses	24	29	6	Due to lower gas usage (mild weather)
Purchased Power	4	4	0	
Other Electric Cost	5	6	0	
Total Cost of Sales	64	68	4	
Gross Margin:				
Electric Margin	57	60	(3)	
Gas Margin	24	25	(1)	
Total Gross Margin	81	85	(4)	
Operating Expenses:				
O&M	24	26	1	
Depreciation & Amortization	12	12	0	
Taxes, Other than Income	2	2	0	
Total Operating Expenses	39	40	2	
Other income (expense)	(1)	(0)	(0)	
EBIT	42	45	(3)	
Interest Expense	6	6	0	
Income from Ongoing Operations before income taxes	36	39	(3)	
Income Tax Expense	14	15	1	
Net Income (loss) from ongoing operations	22	24	\$ (2)	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - KU
January 2017

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 160	\$ 175	\$ (15)	Due primarily to lower sales volumes driven by mild weather.
Gas Revenues	0	0	0	
Total Revenues	160	175	(15)	
Cost of Sales:				
Fuel Electric Costs	42	49	7	Primarily due to decreased generation as a result of mild weather.
Gas Supply Expenses	0	0	0	
Purchased Power	7	7	(0)	
Other Electric Cost	8	9	0	
Total Cost of Sales	58	64	7	
Gross Margin:				
Electric Margin	103	111	(8)	See explanation above
Gas Margin	0	0	0	
Total Gross Margin	103	111	(8)	
Operating Expenses:				
O&M	29	29	0	
Depreciation & Amortization	18	18	0	
Taxes, Other than Income	2	2	0	
Total Operating Expenses	49	50	1	
Other income (expense)	(1)	(1)	0	
EBIT	53	61	(8)	
Interest Expense	8	8	(0)	
Income from Ongoing Operations before income taxes	45	53	(8)	
Income Tax Expense	17	20	3	
Net Income (loss) from ongoing operations	28	32	(5)	

Note: Schedules may not sum due to rounding.

(\$ Millions)

	MTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	14	13	(1)	0	(0)	(0)	(0)	(0)
Project Engineering	0	0	0	0	0	0	0	0
Transmission	2	3	1	(0)	0	0	0	0
Energy Supply and Analysis	1	1	0	(0)	0	0	0	0
Generation Services	1	1	0	(0)	(0)	(0)	(0)	0
Electric Distribution	5	6	1	0	1	0	0	0
Gas Distribution and AMS2	3	3	0	0	0	(0)	0	(0)
Safety and Technical Training	0	0	(0)	(0)	(0)	0	(0)	0
Customer Services	7	8	1	0	0	0	0	0
Senior VP Operations	34	35	1	0	1	(0)	(0)	0
Audit Services	0	0	0	0	0	(0)	0	0
Controller	1	1	(0)	(0)	0	0	(0)	(0)
Supply Chain	0	0	0	0	0	0	(0)	0
Treasurer	2	2	(0)	(0)	0	0	(0)	0
State Regulation and Rates	0	0	(0)	(0)	0	0	(0)	0
Chief Financial Officer	4	4	(0)	(0)	0	0	(0)	0
General Counsel	2	2	0	0	0	0	(0)	0
Human Resources	1	1	0	0	0	(0)	(0)	0
Information Technology	4	5	0	0	(0)	0	0	0
Corporate	10	10	0	0	0	0	(0)	(0)
Enterprise Security	0	0	0	0	0	0	0	0
O&M Total MTD	55	56	2	1	1	0	(0)	0

Note: Schedules may not sum due to rounding.

Financing Activities
January 2017

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 898.8	\$ 898.8	\$ 0.0
End Bal	898.8	898.8	0.0
Ave Bal	\$ 898.8	\$ 898.8	\$ 0.0
Interest Exp	\$ 1.1	\$ 1.0	\$ (0.1)
Rate	1.44%	1.33%	-0.11%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,210.0	\$ 4,210.0	\$ 0.0
End Bal	4,210.0	4,210.0	0.0
Ave Bal	\$ 4,210.0	\$ 4,210.0	\$ 0.0
Interest Exp	\$ 14.8	\$ 15.4	\$ 0.6
Rate	4.07%	4.24%	0.16%
Short-term Debt			
Beg Bal	\$ 348.1	\$ 509.7	\$ 161.6
End Bal	317.8	432.7	114.9
Ave Bal	\$ 332.9	\$ 471.2	\$ 138.3
Interest Exp	\$ 0.4	\$ 0.5	\$ 0.1
Rate	1.52%	1.28%	-0.24%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (44.0)	\$ (44.0)	\$ 0.0
End Bal	(43.7)	(42.8)	0.9
Ave Bal	\$ (43.8)	\$ (43.4)	\$ 0.5
Total End Bal	\$ 5,382.9	\$ 5,498.8	\$ 115.9
Total Average Bal	\$ 5,397.9	\$ 5,536.6	\$ 138.7
Total Expense Excl I/C ⁽¹⁾	\$ 17.7	\$ 17.8	\$ 0.1
Rate	3.77%	3.70%	-0.07%

⁽¹⁾ Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed		Letters of Credit Issued	Unused Capacity
	Capacity	Borrowed ⁽²⁾		
LKE	\$ 300	\$ 137		\$ 163
LG&E	500	158		342
KU	598	23	\$ 198	377
TOTAL	\$ 1,398	\$ 318	\$ 198	\$ 882

⁽²⁾ LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2017		LG&E 2017		KU 2017	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	20%	18%	27%	26%	25%	27%
CFO pre-WC + Interest / Interest	6.0	5.8	7.9	7.9	7.2	7.6
CFO pre-WC - Dividends / Debt	15%	15%	24%	25%	16%	18%
Debt to Capitalization ⁽²⁾	47%	48%	38%	38%	38%	38%

Credit Metrics Moody's	LKE 2017 BP		LG&E 2017 BP		KU 2017 BP	
	2018	2019	2018	2019	2018	2019
CFO pre-WC / Debt	18%	18%	27%	29%	26%	26%
CFO pre-WC + Interest / Interest	6.0	5.7	8.5	8.7	7.8	7.6
CFO pre-WC - Dividends / Debt	11%	15%	25%	22%	20%	18%
Debt to Capitalization ⁽²⁾	50%	49%	38%	36%	37%	37%

(1) Actuals represent a trailing 12 months.

(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

Financial Strength Factor (40% Weighting) -- Low Business Risk Grid:

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	19% - 27%	11% - 19%	5% - 11%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	15% - 23%	7% - 15%	0% - 7%
Debt / Capitalization	7.5%	40% - 50%	50% - 59%	59% - 67%

As of December 31, 2016	Senior Unsecured	Senior Secured	Commercial Paper
Issuer	Moody's	Moody's	Moody's
LKE	Baa1		
LG&E		A1	P-2
KU		A1	P-2

Definitions

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Balance Sheet - LKE Consolidated

January 2017

(\$ Millions)

	1/31/2017	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 14	\$ 16	\$ (2)	
Accounts Receivable (Trade)	429	451	(23)	
Inventory	285	271	13	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	20	19	1	
Prepayments and other current assets	43	40	4	
Total Current Assets	791	798	(7)	
Property, Plant, and Equipment	11,605	11,654	(49)	
Intangible Assets	94	96	(2)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	827	907	(80)	
Goodwill	997	997	0	
Other Long-term Assets	78	82	(4)	
Total Assets	\$ 14,393	\$ 14,534	\$ (141)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 214	\$ 224	\$ (10)	
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	56	55	1	
Derivative Liability	4	6	(2)	
Accrued Taxes	93	34	59	Increase is primarily due to the timing of property tax payments that were assumed to occur in Q4 2016 in the budget and accrual of 2016 extension settlement.
Regulatory Liabilities Current	14	24	(9)	
Other Current Liabilities	223	224	(1)	
Total Current Liabilities	605	566	39	
Debt - Affiliated Company	537	573	(36)	
Debt ⁽¹⁾	4,846	4,926	(80)	
Total Debt	5,383	5,499	(116)	
Deferred Tax Liabilities	1,735	1,735	(0)	
Investment Tax Credit	132	131	1	
Accum Provision for Pension & Related Benefits	335	411	(76)	Decrease primarily from funded status adjustment due to change in discount rate.
Asset Retirement Obligation	373	359	13	
Regulatory Liabilities Non Current	900	872	27	
Derivative Liability	26	33	(6)	Due to change in market interest rates and termination of interest rate swap in December 2016.
Other Liabilities	191	199	(8)	
Total Deferred Credits and Other Liabilities	3,691	3,740	(48)	
Equity	4,714	4,730	(16)	
Total Liabilities and Equity	\$ 14,393	\$ 14,534	\$ (141)	

⁽¹⁾ Includes all ST and LT debt. See Financing Activities page for details.
 Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

January 2017

(\$ Millions)

	1/31/2017	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 5	\$ 5	\$ 0	
Accounts Receivable (Trade)	193	200	(7)	
Inventory	129	126	2	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	10	4	6	
Prepayments and other current assets	73	50	23	Primarily due to increase in accounts receivable from associated company related to federal income tax settlement.
Total Current Assets	409	386	23	
Property, Plant, and Equipment	5,001	5,037	(36)	
Intangible Assets	6	6	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	449	503	(53)	
Goodwill	0	0	0	
Other Long-term Assets	17	21	(4)	
Total Assets	\$ 5,883	\$ 5,953	\$ (70)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 147	\$ 153	\$ (6)	
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	27	26	1	
Derivative Liability	4	6	(2)	
Accrued Taxes	80	18	62	Increase is primarily due to the timing of property tax payments that were assumed to occur in Q4 2016 in the budget and accrual of 2016 extension settlement.
Regulatory Liabilities Current	3	5	(2)	
Other Current Liabilities	89	93	(4)	
Total Current Liabilities	350	302	48	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	1,776	1,831	(55)	
Total Debt	1,776	1,831	(55)	
Deferred Tax Liabilities	974	973	1	
Investment Tax Credit	36	36	(0)	
Accum Provision for Pension & Related Benefits	53	77	(24)	Decrease primarily from funded status adjustment due to change in discount rate.
Asset Retirement Obligation	103	99	4	
Regulatory Liabilities Non Current	367	358	9	
Derivative Liability	26	33	(6)	
Other Liabilities	88	92	(4)	
Total Deferred Credits and Other Liabilities	1,648	1,668	(20)	
Equity	2,109	2,152	(43)	
Total Liabilities and Equity	\$ 5,883	\$ 5,953	\$ (70)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.

Balance Sheet - KU

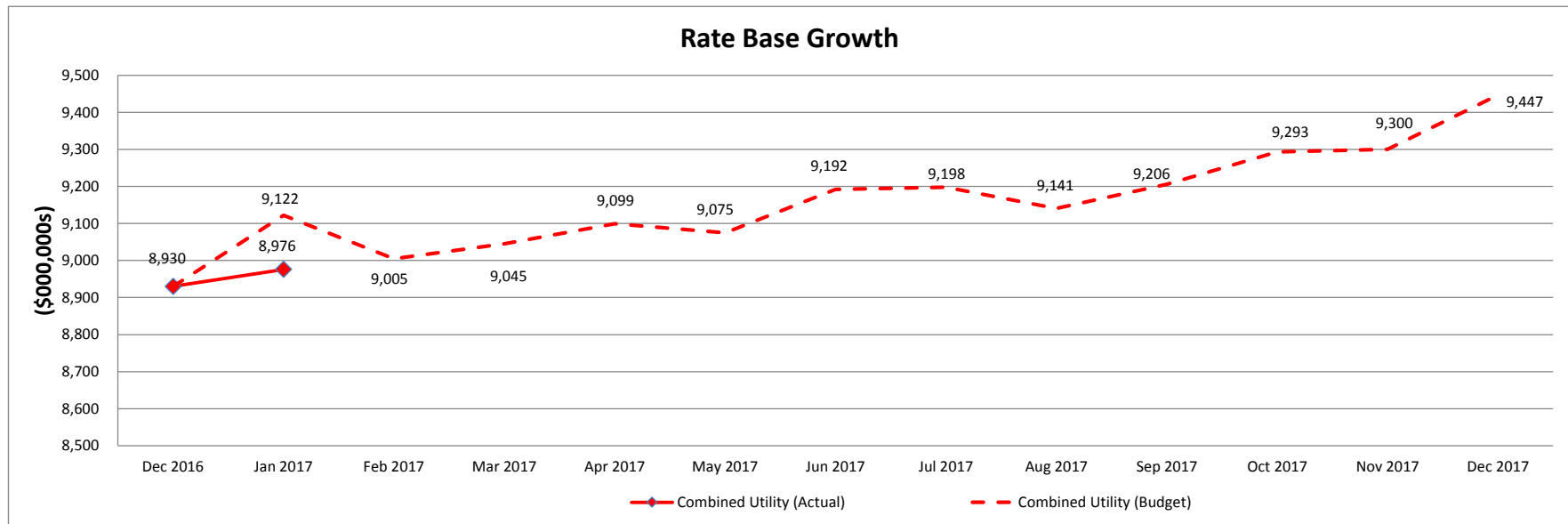
January 2017

(\$ Millions)

	1/31/2017	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 9	\$ 5	\$ 3	
Accounts Receivable (Trade)	236	251	(15)	
Inventory	156	145	11	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	10	15	(4)	
Prepayments and other current assets	21	20	1	
Total Current Assets	432	436	(4)	
Property, Plant, and Equipment	6,596	6,608	(12)	
Intangible Assets	13	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	375	402	(27)	
Goodwill	0	0	0	
Other Long-term Assets	58	58	0	
Total Assets	\$ 7,474	\$ 7,516	\$ (43)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 143	\$ 115	\$ 29	Increase is primarily due to an increase in accounts payable to an associated company related to federal income tax settlement.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	29	28	1	
Derivative Liability	0	0	0	
Accrued Taxes	36	23	13	Increase is primarily due to the timing of property tax payments that were assumed to occur in Q4 2016 in the budget.
Regulatory Liabilities Current	11	18	(7)	
Other Current Liabilities	74	76	(1)	
Total Current Liabilities	294	259	34	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,348	2,372	(25)	
Total Debt	2,348	2,372	(25)	
Deferred Tax Liabilities	1,170	1,206	(35)	
Investment Tax Credit	96	95	1	
Accum Provision for Pension & Related Benefits	45	67	(21)	Decrease primarily from funded status adjustment due to change in discount rate.
Asset Retirement Obligation	269	260	9	
Regulatory Liabilities Non Current	457	438	20	
Derivative Liability	0	0	0	
Other Liabilities	50	53	(3)	
Total Deferred Credits and Other Liabilities	2,088	2,118	(30)	
Equity	2,744	2,767	(22)	
Total Liabilities and Equity	\$ 7,474	\$ 7,516	\$ (43)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.





Performance Report

February 2017

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	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
Safety						
TCIR - Employees ⁽¹⁾	1.47	0.37	1.02	0.61	1.35	1.12
Employee lost-time incidents	2	0	2	0	10	5
Reliability						
Generation Volumes	2,382	2,838	5,299	6,051	33,673	34,425
Utility EFOR	7.1%	5.5%	4.8%	5.5%	N/A	5.5%
Utility EAF	84.1%	91.2%	85.4%	91.9%	N/A	85.2%
Steam Fleet Commercial Availability	89.5%	93.0%	91.9%	93.0%	N/A	93.0%
Combined SAIFI	0.04	0.06	0.12	0.15	N/A	1.03
Combined SAIDI (minutes)	3.41	4.89	9.52	12.70	N/A	93.20
GwH Sales						
Residential	708	962	1,748	2,136	10,280	10,668
Commercial	571	617	1,228	1,295	7,814	7,882
Industrial	691	734	1,403	1,521	9,588	9,706
Municipals	132	162	290	338	1,798	1,846
Other	205	217	431	452	2,732	2,753
Off-System Sales	7	24	78	45	274	244
Total	2,314	2,716	5,178	5,787	32,485	33,098
Weather-Normalized Sales Growth						
			ITM			
Residential			-1.23%			
Commercial			2.79%			
Industrial			-4.41%			
Municipal			-0.52%			
Other			-0.39%			
Total			-1.11%			

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Margins (\$ millions)						
Electric Margins	\$138	\$156	\$299	\$327	\$1,912	\$1,948
Gas Margins	\$22	\$23	\$46	\$48	\$180	\$183
Capital Expenditures (\$ millions)						
Total	\$50	\$57	\$97	\$110	\$1,107	\$1,107
O&M (\$ millions)⁽²⁾						
Total	\$55	\$57	\$109	\$113	\$749	\$749
Head Count						
Full-time Employees	3,489	3,604	3,489	3,604	3,584	3,591
Other Metrics						
Environmental Events	1	0	2	0	N/A	3
NERC Possible Violations ⁽³⁾	0	0	1	0	N/A	5

	TTM	Full Year	
	Actual	Forecast	Budget
Financial Metrics			
ROE ⁽⁴⁾	9.7%	9.5%	9.8%

Variance Explanations	
• Lower current month margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of \$19 million.	
• Lower margins YTD primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of \$31 million.	

Major Developments	
• February 2017 represented the warmest February on record for both Louisville and Lexington. Louisville also reached 81 degrees on the 24th, setting a new all-time high for the month. Retail sales continue to be impacted by these conditions.	
• LKE filed nearly 1,500 responses to supplemental data requests in the rate case proceeding and is currently analyzing intervenors' testimony from 34 different witnesses. The Company's rebuttal testimony will be submitted on April 14.	
• After the Companies' 2011 ECR plans were approved by the KPSC, the Commission hired an external consultant to monitor and report on the construction progress for the approved projects. LKE filed its final quarterly report to the KPSC in January. The Company received a letter of acknowledgement from the KPSC noting that the approved projects achieved an outstanding safety record and were completed significantly under budget and on schedule. The KPSC also commended our efforts in keeping its consultant and the KPSC informed regarding the progress of the projects as well as the Company's professionalism during the review.	
• Two of LKE's Research and Development projects have been honored by the Electric Power Research Institute ("EPRI"). The Company's electric vehicle charging station program was recognized with a "Technology Transfer" award for applying EPRI methods and standards in designing and deploying its charging stations. LKE also received a similar honor for its 10-megawatt universal solar facility at E.W. Brown Generating Station.	
• The Trimble County Landfill Project received its permit from the Kentucky Division of Waste Management, the second of three key environmental regulatory approvals needed to begin construction of the landfill. The final permit is still being processed by the Corps of Engineers.	
• The court dismissed PPL as a defendant and also dismissed the remaining federal law claim involving alleged operation of the Cane Run facility under an expired air permit. The court had previously dismissed the other federal law claims regarding dust emissions from the Cane Run power plant in 2014. The court has directed the parties to file briefs addressing whether the court should exercise supplemental jurisdiction to hear the state law claims remaining in the case.	

Significant Future Events	
•Regarding the Kentucky rate cases, a formal public hearing is scheduled to begin on May 2.	

(1) Full year forecast amount shown represents target.
 (2) Net of cost recovery mechanisms.
 (3) The possible violation issues for YTD Actual is believed to be minimal risk.
 (4) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
February 2017

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 213	\$ 243	\$ (29)	Due primarily to lower sales volumes driven by mild weather.
Gas Revenues	38	50	(12)	Due primarily to lower sales volumes driven by mild weather.
Total Revenues	251	292	(41)	
Cost of Sales:				
Fuel Electric Costs	58	69	11	Primarily due to decreased generation as a result of mild weather.
Gas Supply Expenses	16	27	11	Due to lower gas usage (mild weather).
Purchased Power	5	5	0	
Other Electric Cost	13	13	0	
Total Cost of Sales	91	113	23	
Gross Margin:				
Electric Margin	138	156	(18)	Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue.
Gas Margin	22	23	(1)	
Total Gross Margin	160	179	(18)	
Operating Expenses:				
O&M	55	57	2	
Depreciation & Amortization	30	30	0	
Taxes, Other than Income	4	5	1	
Total Operating Expenses	89	92	3	
Equity in Earnings	0	0	0	
Other income (expense)	(1)	(1)	(0)	
EBIT	70	86	(16)	
Interest Expense	17	18	0	
Income from Ongoing Operations before income taxes	52	68	(16)	
Income Tax Expense	20	26	6	
Net Income (loss) from ongoing operations	32	42	(10)	
Discontinued Operations	(0)	(0)	0	
Net Income (loss)	\$ 32	\$ 42	\$ (10)	
KY Regulated Financing Costs	(2)	(2)	(0)	
KY Regulated Net Income	\$ 30	\$ 40	\$ (10)	
Earnings Per Share - Ongoing	\$ 0.04	\$ 0.06	\$ (0.01)	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated
February 2017

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 465	\$ 510	\$ (46)	Due primarily to lower sales volumes driven by mild weather.
Gas Revenues	85	104	(19)	Due primarily to lower sales volumes driven by mild weather.
Total Revenues	550	614	(65)	
Cost of Sales:				
Fuel Electric Costs	130	146	17	Primarily due to decreased generation as a result of mild weather.
Gas Supply Expenses	39	56	17	Due primarily to lower gas usage as a result of mild weather.
Purchased Power	10	10	0	
Other Electric Cost	27	27	0	
Total Cost of Sales	206	239	34	
Gross Margin:				
Electric Margin	299	327	(29)	Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue.
Gas Margin	46	48	(2)	
Total Gross Margin	344	375	(31)	
Operating Expenses:				
O&M	110	113	3	
Depreciation & Amortization	59	60	1	
Taxes, Other than Income	9	10	1	
Total Operating Expenses	178	183	5	
Other income (expense)	(2)	(2)	(0)	
EBIT	164	190	(26)	
Interest Expense	35	35	0	
Income from Ongoing Operations before income taxes	128	154	(26)	
Income Tax Expense	49	59	11	
Net Income (loss) from ongoing operations	80	95	(15)	
Discontinued Operations	(0)	(0)	0	
Net Income (loss)	\$ 80	\$ 95	\$ (15)	
KY Regulated Financing Costs	(5)	(5)	(0)	
KY Regulated Net Income	\$ 75	\$ 90	\$ (15)	
Earnings Per Share - Ongoing	\$ 0.11	\$ 0.13	\$ (0.02)	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LG&E
February 2017

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 182	\$ 189	\$ (7)	Due primarily to lower sales volumes driven by mild weather.
Gas Revenues	85	104	(19)	Due primarily to lower sales volumes driven by mild weather.
Total Revenues	267	293	(26)	
Cost of Sales:				
Fuel Electric Costs	56	55	(1)	
Gas Supply Expenses	39	56	17	Due primarily to lower gas usage as a result of mild weather.
Purchased Power	7	8	1	
Other Electric Cost	11	11	0	
Total Cost of Sales	114	130	17	
Gross Margin:				
Electric Margin	108	115	(7)	See explanation above
Gas Margin	46	48	(2)	
Total Gross Margin	154	163	(9)	
Operating Expenses:				
O&M	48	51	3	
Depreciation & Amortization	24	24	0	
Taxes, Other than Income	5	5	0	
Total Operating Expenses	77	80	4	
Other income (expense)	(1)	(1)	(0)	
EBIT	76	82	(6)	
Interest Expense	11	12	0	
Income from Ongoing Operations before income taxes	65	70	(5)	
Income Tax Expense	25	27	2	
Net Income (loss) from ongoing operations	40	43	(3)	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - KU
February 2017

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 296	\$ 334	\$ (38)	Due primarily to lower sales volumes driven by mild weather.
Gas Revenues	0	0	0	
Total Revenues	296	334	(38)	
Cost of Sales:				
Fuel Electric Costs	75	92	17	Primarily due to decreased generation as a result of mild weather.
Gas Supply Expenses	0	0	0	
Purchased Power	14	13	(1)	
Other Electric Cost	16	17	0	
Total Cost of Sales	105	122	17	
Gross Margin:				
Electric Margin	191	212	(22)	See explanation above
Gas Margin	0	0	0	
Total Gross Margin	191	212	(22)	
Operating Expenses:				
O&M	57	59	1	
Depreciation & Amortization	35	36	0	
Taxes, Other than Income	5	5	0	
Total Operating Expenses	97	99	2	
Other income (expense)	(1)	(1)	0	
EBIT	92	112	(20)	
Interest Expense	16	16	(0)	
Income from Ongoing Operations before income taxes	76	96	(20)	
Income Tax Expense	29	37	8	
Net Income (loss) from ongoing operations	47	59	(12)	

Note: Schedules may not sum due to rounding.

(\$ Millions)

	MTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	13	14	0	1	0	(0)	0	(0)
Project Engineering	0	0	0	0	0	(0)	(0)	0
Transmission	2	3	0	(0)	(0)	0	(0)	(0)
Energy Supply and Analysis	1	1	(0)	(0)	0	0	(0)	(0)
Generation Services	1	1	(0)	(0)	0	0	(0)	(0)
Electric Distribution	5	6	1	0	1	(0)	0	(0)
Gas Distribution and AMS2	3	3	(0)	(0)	(0)	0	0	(0)
Safety and Technical Training	1	1	(0)	(0)	(0)	(0)	0	(0)
Customer Services	7	8	1	(0)	0	(0)	0	0
Senior VP Operations	34	35	2	0	1	0	0	(0)
Audit Services	0	0	0	0	0	0	0	(0)
Controller	1	1	(0)	(0)	0	0	0	(0)
Supply Chain	0	0	(0)	(0)	(0)	(0)	(0)	0
Treasurer	2	2	(0)	(0)	0	0	(0)	(0)
State Regulation and Rates	0	0	(0)	(0)	0	0	(0)	0
Chief Financial Officer	3	3	(0)	(0)	(0)	0	(0)	(0)
General Counsel	3	3	(0)	(0)	0	(0)	0	0
Human Resources	1	1	(0)	0	0	(0)	(0)	(0)
Information Technology	4	4	0	(0)	0	0	(0)	0
Corporate	10	10	0	0	0	0	(0)	0
Enterprise Security	0	0	(0)	(0)	0	0	0	0
O&M Total MTD	55	57	2	0	1	0	0	(0)

	YTD			Labor & Burdens	Resident Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	28	27	(1)	1	0	(0)	(0)	(1)
Project Engineering	0	0	0	0	0	(0)	(0)	0
Transmission	5	5	1	(0)	0	1	(0)	(0)
Energy Supply and Analysis	2	1	(0)	(0)	0	0	0	0
Generation Services	2	2	(0)	(0)	0	(0)	(0)	0
Electric Distribution	10	12	2	0	2	(0)	0	0
Gas Distribution and AMS	5	5	(0)	0	0	(0)	0	(0)
Safety and Technical Training	1	1	(0)	(0)	(0)	(0)	(0)	0
Customer Services	15	16	1	0	0	0	0	1
SVP Operations	68	71	3	1	2	0	(0)	(0)
Audit Services	0	0	0	0	0	(0)	0	(0)
Controller	1	1	(0)	(0)	0	0	0	(0)
Supply Chain	1	1	(0)	(0)	(0)	(0)	(0)	0
Treasurer	4	4	(0)	(0)	0	0	(0)	(0)
State Regulation and Rates	1	1	(0)	(0)	0	0	(0)	0
Chief Financial Officer	7	7	(0)	(0)	(0)	0	(0)	(0)
General Counsel	5	5	0	0	0	(0)	(0)	0
Human Resources	1	1	0	0	0	(0)	(0)	(0)
Information Technology	9	9	0	(0)	(0)	0	(0)	0
Corporate	20	20	0	0	0	0	(0)	(0)
Enterprise Security	0	0	0	0	0	0	0	0
O&M Total YTD	109	113	3	1	2	0	(0)	(0)

Note: Schedules may not sum due to rounding.

Attachment to Filing Requirement

807 KAR 5:001 Section 16(7)(o)

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Blake

Financing Activities
February 2017

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 898.8	\$ 898.8	\$ 0.0
End Bal	898.8	898.8	0.0
Ave Bal	\$ 898.8	\$ 898.8	\$ 0.0
Interest Exp	\$ 2.2	\$ 2.1	\$ (0.1)
Rate	1.49%	1.39%	-0.10%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,210.0	\$ 4,210.0	\$ 0.0
End Bal	4,210.0	4,210.0	0.0
Ave Bal	\$ 4,210.0	\$ 4,210.0	\$ 0.0
Interest Exp	\$ 30.6	\$ 30.7	\$ 0.2
Rate	4.43%	4.45%	0.02%
Short-term Debt			
Beg Bal	\$ 348.1	\$ 432.7	\$ 84.6
End Bal	255.7	333.5	77.7
Ave Bal	\$ 301.9	\$ 383.1	\$ 81.2
Interest Exp	\$ 0.8	\$ 0.9	\$ 0.2
Rate	1.52%	1.47%	-0.05%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (44.0)	\$ (42.8)	\$ 1.2
End Bal	(43.4)	(42.3)	1.1
Ave Bal	\$ (43.7)	\$ (42.6)	\$ 1.2
Total End Bal	\$ 5,321.1	\$ 5,399.9	\$ 78.9
Total Average Bal	\$ 5,367.0	\$ 5,449.3	\$ 82.3
Total Expense Excl I/C ⁽¹⁾	\$ 35.1	\$ 35.4	\$ 0.3
Rate	3.96%	3.94%	-0.02%

⁽¹⁾ Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed		Letters of Credit Issued	Unused Capacity
	Capacity	Borrowed ⁽²⁾		
LKE	\$ 300	\$ 128		\$ 172
LG&E	500	110		390
KU	598	18	\$ 198	382
TOTAL	\$ 1,398	\$ 256	\$ 198	\$ 944

⁽²⁾ LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2017		LG&E 2017		KU 2017	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	19%	19%	28%	27%	25%	27%
CFO pre-WC + Interest / Interest	5.9	5.8	7.8	7.9	7.0	7.6
CFO pre-WC - Dividends / Debt	15%	15%	25%	26%	15%	18%
Debt to Capitalization ⁽²⁾	47%	47%	38%	38%	38%	37%

Credit Metrics Moody's	LKE 2017 BP		LG&E 2017 BP		KU 2017 BP	
	2018	2019	2018	2019	2018	2019
CFO pre-WC / Debt	18%	18%	27%	29%	26%	26%
CFO pre-WC + Interest / Interest	6.0	5.7	8.5	8.7	7.8	7.6
CFO pre-WC - Dividends / Debt	11%	15%	25%	22%	20%	18%
Debt to Capitalization ⁽²⁾	50%	49%	38%	36%	37%	37%

⁽¹⁾ Actuals represent a trailing 12 months.

⁽²⁾ For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

Financial Strength Factor (40% Weighting) -- Low Business Risk Grid:

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	19% - 27%	11% - 19%	5% - 11%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	15% - 23%	7% - 15%	0% - 7%
Debt / Capitalization	7.5%	40% - 50%	50% - 59%	59% - 67%

As of December 31, 2016	Senior Unsecured	Senior Secured	Commercial Paper
Issuer	Moody's	Moody's	Moody's
LKE	Baa1		
LG&E		A1	P-2
KU		A1	P-2

Definitions

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Attachment to Filing Requirement

807 KAR 5:001 Section 16(7)(o)

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Blake

Balance Sheet - LKE Consolidated

February 2017

(\$ Millions)

	2/28/2017	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 17	\$ 27	\$ (10)	Decrease primarily related to higher budgeted temporary investments.
Accounts Receivable (Trade)	397	430	(32)	
Inventory	279	254	25	Higher inventory levels due to decreased fuel burn as a result of lower generation
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	23	21	3	
Prepayments and other current assets	45	37	8	
Total Current Assets	761	768	(6)	
Property, Plant, and Equipment	11,617	11,670	(53)	
Intangible Assets	93	95	(2)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	827	909	(82)	
Goodwill	997	997	0	
Other Long-term Assets	77	81	(4)	
Total Assets	\$ 14,374	\$ 14,521	\$ (148)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 214	\$ 223	\$ (9)	
Dividends Payable to Affiliated Companies	102	0	102	Dividends are considered declared and paid in the same month in the budget.
Customer Deposits	56	55	2	
Derivative Liability	4	6	(2)	
Accrued Taxes	97	65	32	Increase is primarily due to accrual of 2016 extension settlement.
Regulatory Liabilities Current	12	23	(12)	Decrease primarily related to ECR, DSM, and FAC.
Other Current Liabilities	243	237	6	
Total Current Liabilities	729	609	120	
Debt - Affiliated Company	528	573	(45)	
Debt ⁽¹⁾	4,793	4,827	(34)	
Total Debt	5,321	5,400	(79)	
Deferred Tax Liabilities	1,727	1,735	(8)	
Investment Tax Credit	132	131	1	
Accum Provision for Pension & Related Benefits	332	411	(78)	Decrease primarily from funded status adjustment due to change in discount rate.
Asset Retirement Obligation	372	360	12	
Regulatory Liabilities Non Current	902	871	30	
Derivative Liability	26	32	(6)	
Other Liabilities	188	199	(12)	
Total Deferred Credits and Other Liabilities	3,678	3,740	(61)	
Equity	4,645	4,773	(127)	
Total Liabilities and Equity	\$ 14,374	\$ 14,521	\$ (148)	

⁽¹⁾ Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

February 2017

(\$ Millions)

	2/28/2017	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 8	\$ 5	\$ 3	
Accounts Receivable (Trade)	177	190	(14)	
Inventory	121	111	9	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	13	5	8	
Prepayments and other current assets	48	49	(0)	Primarily due to increase in accounts receivable from associated company related to federal income tax settlement.
Total Current Assets	367	360	6	
Property, Plant, and Equipment	5,008	5,047	(39)	
Intangible Assets	6	6	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	448	501	(54)	Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate, and ARO revaluation.
Goodwill	0	0	0	
Other Long-term Assets	16	21	(5)	
Total Assets	\$ 5,845	\$ 5,937	\$ (92)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 146	\$ 152	\$ (6)	
Dividends Payable to Affiliated Companies	87	25	62	In the budget dividends are calculated in the month declared and any excess dividends are not recognized until the subsequent month due to balancing within the budget system.
Customer Deposits	27	26	1	
Derivative Liability	4	6	(2)	
Accrued Taxes	76	33	43	Increase is primarily due to accrual of 2016 extension settlement.
Regulatory Liabilities Current	2	5	(2)	
Other Current Liabilities	93	97	(5)	
Total Current Liabilities	435	344	91	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	1,728	1,779	(51)	
Total Debt	1,728	1,779	(51)	
Deferred Tax Liabilities	972	973	(1)	
Investment Tax Credit	36	36	(0)	
Accum Provision for Pension & Related Benefits	51	76	(25)	Decrease primarily from funded status adjustment due to change in discount rate.
Asset Retirement Obligation	103	99	3	
Regulatory Liabilities Non Current	369	358	11	
Derivative Liability	26	32	(6)	
Other Liabilities	86	92	(6)	
Total Deferred Credits and Other Liabilities	1,643	1,668	(24)	
Equity	2,039	2,146	(107)	
Total Liabilities and Equity	\$ 5,845	\$ 5,937	\$ (92)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.

Balance Sheet - KU

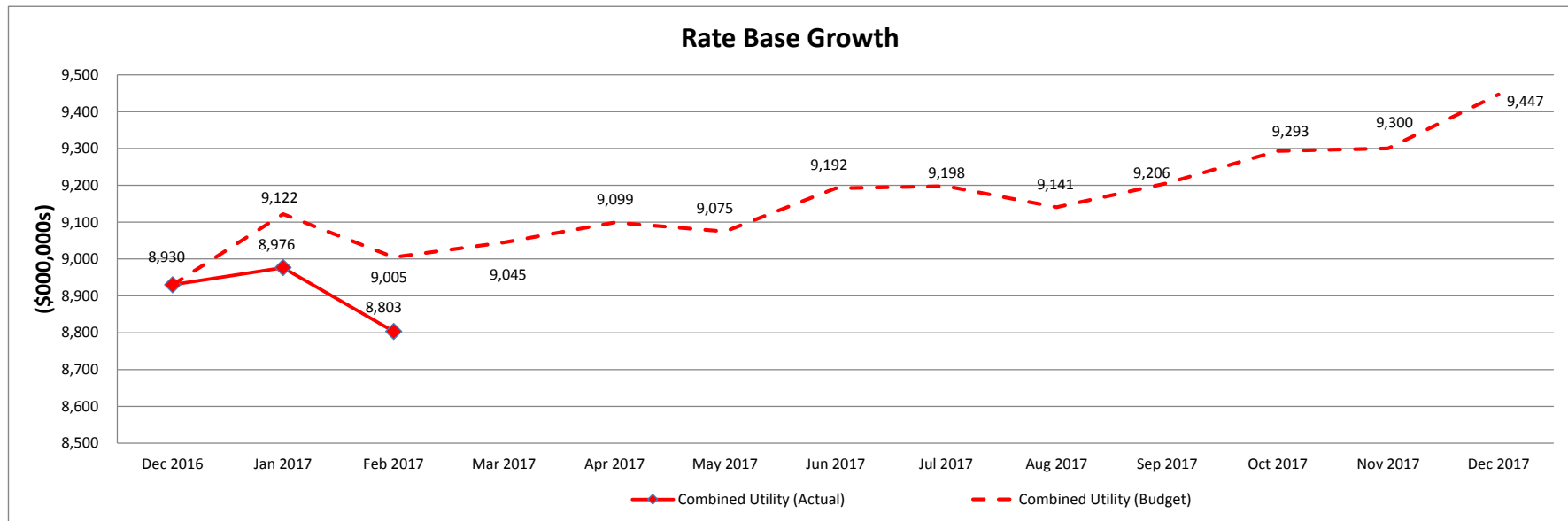
February 2017

(\$ Millions)

	2/28/2017	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 8	\$ 18	\$ (9)	
Accounts Receivable (Trade)	220	239	(19)	
Inventory	158	142	15	Higher inventory levels due to decreased fuel burn as a result of lower generation
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	11	16	(5)	
Prepayments and other current assets	22	19	3	
Total Current Assets	419	433	(14)	
Property, Plant, and Equipment	6,601	6,614	(13)	
Intangible Assets	13	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	376	405	(29)	
Goodwill	0	0	0	
Other Long-term Assets	58	58	1	
Total Assets	\$ 7,467	\$ 7,522	\$ (55)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 112	\$ 114	\$ (2)	
Dividends Payable to Affiliated Companies	70	40	30	In the budget dividends are calculated in the month declared and any excess dividends are not recognized until the subsequent month due to balancing within the budget system.
Customer Deposits	29	28	1	
Derivative Liability	0	0	0	
Accrued Taxes	47	42	5	
Regulatory Liabilities Current	9	18	(9)	
Other Current Liabilities	84	83	0	
Total Current Liabilities	351	325	26	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,343	2,325	18	
Total Debt	2,343	2,325	18	
Deferred Tax Liabilities	1,164	1,206	(42)	
Investment Tax Credit	95	95	1	
Accum Provision for Pension & Related Benefits	44	67	(22)	Decrease primarily from funded status adjustment due to change in discount rate.
Asset Retirement Obligation	269	261	8	
Regulatory Liabilities Non Current	459	437	21	
Derivative Liability	0	0	0	
Other Liabilities	49	53	(4)	
Total Deferred Credits and Other Liabilities	2,080	2,118	(38)	
Equity	2,693	2,754	(61)	
Total Liabilities and Equity	\$ 7,467	\$ 7,522	\$ (55)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.



Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(a)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A jurisdictional financial summary for both the base period and the forecasted period that details how the utility derived the amount of the requested revenue increase.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE A

JURISDICTIONAL OVERALL FINANCIAL SUMMARY FOR THE BASE AND FORECASTED PERIOD

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD : FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECASTED PERIOD: FOR THE 12 MONTHS ENDED JUNE 30, 2018

SCHEDULE

DESCRIPTION

A OVERALL FINANCIAL SUMMARY

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

OVERALL FINANCIAL SUMMARY

BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE A

TYPE OF FILING: ORIGINAL UPDATED REVISED

PAGE 1 OF 1

WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD JURISDICTIONAL REVENUE REQUIREMENT	FORECASTED PERIOD JURISDICTIONAL REVENUE REQUIREMENT
			\$	\$
1	CAPITALIZATION ALLOCATED TO KENTUCKY JURISDICTION	J	3,556,881,223	3,638,800,730
2	ADJUSTED OPERATING INCOME	C-1	239,876,015	202,504,357
3	EARNED RATE OF RETURN (2 / 1)		6.74%	5.57%
4	REQUIRED RATE OF RETURN	J	7.38%	7.29%
5	REQUIRED OPERATING INCOME (1 x 4)	C-1	262,637,015	265,293,552
6	OPERATING INCOME DEFICIENCY (5 - 2)	C-1	22,761,000	62,789,195
7	GROSS REVENUE CONVERSION FACTOR	H	1.641963	1.641963
8	REVENUE DEFICIENCY (6 x 7)		37,372,723	103,097,542
9	REVENUE INCREASE REQUESTED	C-1		103,097,542
10	ADJUSTED OPERATING REVENUES	C-1		1,485,327,441
11	REVENUE REQUIREMENTS (9 + 10)			<u>1,588,424,983</u>

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(b)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A jurisdictional rate base summary for both the base period and the forecasted period with supporting schedules, which include detailed analyses of each component of the rate base.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE B

JURISDICTIONAL RATE BASE SUMMARY FOR THE BASE AND FORECASTED PERIOD

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD: FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECASTED TEST PERIOD: FOR THE 12 MONTHS ENDED JUNE 30, 2018

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
B-1	RATE BASE SUMMARY
B-2	PLANT IN SERVICE BY MAJOR GROUPING
B-2.1	PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
B-2.2	PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
B-2.3	GROSS ADDITIONS, RETIREMENTS AND TRANSFERS
B-2.4	PROPERTY MERGED OR ACQUIRED
B-2.5	LEASED PROPERTY
B-2.6	PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
B-2.7	PROPERTY EXCLUDED FROM RATE BASE
B-3	ACCUMULATED DEPRECIATION AND AMORTIZATION
B-3.1	ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
B-3.2	DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
B-4	CONSTRUCTION WORK IN PROGRESS
B-4.1	ADJUSTMENTS TO CONSTRUCTION WORK IN PROGRESS
B-4.2	CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE
B-5	ALLOWANCE FOR WORKING CAPITAL
B-5.1	OTHER WORKING CAPITAL COMPONENTS
B-5.2	CASH WORKING CAPITAL COMPONENTS
B-6	DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
B-7	JURISDICTIONAL PERCENTAGES
B-7.1	JURISDICTIONAL STATISTICS - RATE BASE
B-7.2	EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES
B-8	COMPARATIVE BALANCE SHEETS

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL RATE BASE SUMMARY
AS OF FEBRUARY 28, 2017
AS OF JUNE 30, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1
PAGE 1 OF 1
WITNESS: C. M. GARRETT

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD	13 MONTH AVG FORECAST PERIOD
			\$	\$
ELECTRIC:				
1	Plant in Service	B-2	6,724,805,641	6,970,368,268
2	Property Held for Future Use	B-2.6	385,394	384,971
3	Accumulated Depreciation and Amortization	B-3	(2,588,341,554)	(2,699,542,764)
4	Net Plant in Service (Lines 1+2+3)		<u>4,136,849,481</u>	<u>4,271,210,475</u>
5	Construction Work in Progress	B-4	109,317,926	118,703,941
6	Net Plant (Lines 4+5)		<u>4,246,167,407</u>	<u>4,389,914,416</u>
7	Cash Working Capital Allowance	B-5	97,280,809	106,348,560
8	Other Working Capital Allowances	B-5	149,394,947	135,979,598
9	Customer Advances for Construction	B-6	(1,467,581)	(1,549,704)
10	Deferred Income Taxes	B-6	(797,525,813)	(902,233,207)
11	Investment Tax Credits	B-6	(83,107,975)	(81,185,411)
12	Other Items	B-6	<u>-</u>	<u>-</u>
13	Rate Base (Lines 6 through 12)		<u><u>3,610,741,795</u></u>	<u><u>3,647,274,251</u></u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	MAJOR PROPERTY GROUPING	BASE PERIOD TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
		\$		\$	\$	\$
ELECTRIC:						
1	INTANGIBLE PLANT	99,900,657	88.800%	88,711,901	-	88,711,901
2	STEAM PRODUCTION	5,139,881,639	87.008%	4,472,108,496	(1,343,220,385)	3,128,888,110
3	HYDO PRODUCTION	42,347,244	87.494%	37,051,435	(566,448)	36,484,987
4	OTHER PRODUCTION	994,520,662	87.277%	867,991,313	(353,790)	867,637,523
5	TRANSMISSION	881,572,817	89.464%	788,693,012	(544,842)	788,148,170
6	DISTRIBUTION	1,756,436,822	94.444%	1,658,847,839	(2,204,297)	1,656,643,542
7	GENERAL	184,489,221	90.176%	166,364,987	(8,073,580)	158,291,407
8	TOTAL ELECTRIC	<u>9,099,149,062</u>		<u>8,079,768,983</u>	<u>(1,354,963,341)</u>	<u>6,724,805,641</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.1

PAGE 1 OF 6

WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT / SUBACCOUNT TITLES	BASE PERIOD	JURIS. PERCENT	JURISDICTIONAL	ADJUSTMENTS	ADJUSTED
			TOTAL COMPANY		TOTAL		JURISDICTION
			\$		\$	\$	\$
1		<u>Electric Intangible Plant</u>					
2	301	Organization	44,456	88.794%	39,474	-	39,474
3	302	Franchises and Consents	55,919	100.000%	55,919	-	55,919
4	303	Misc Intangible Plant	99,800,283	88.794%	88,616,509	-	88,616,509
5		Total Intangible Plant	<u>99,900,657</u>		<u>88,711,901</u>	-	<u>88,711,901</u>
6		<u>Electric Steam Production</u>					
7	310	Land and Land Rights	22,969,597	87.714%	20,147,600	(10,361,938)	9,785,662
8	311	Structures and Improvements	334,900,600	86.784%	290,639,527	(10,433,572)	280,205,955
9	312	Boiler Plant Equipment	3,944,232,161	87.034%	3,432,827,459	(1,095,786,538)	2,337,040,921
9	313	Engines and engine-driven generators	-		-	-	-
10	314	Turbogenerator Units	333,897,178	86.635%	289,270,335	-	289,270,335
11	315	Accessory Electric Equipment	220,603,981	86.569%	190,973,827	(8,261,884)	182,711,943
12	316	Misc Power Plant Equip	35,133,407	87.073%	30,591,577	(718,282)	29,873,294
13	317	ARO Cost Steam Production	248,144,715	87.714%	217,658,171	(217,658,171)	-
14		Total Electric Steam Production	<u>5,139,881,639</u>		<u>4,472,108,496</u>	<u>(1,343,220,385)</u>	<u>3,128,888,110</u>
15		<u>Electric Hydro Production</u>					
16	330	Land and Land Rights	855,636	87.714%	750,515	-	750,515
17	331	Structures and Improvements	2,999,391	87.714%	2,630,892	-	2,630,892
18	332	Reservoirs, Dams, and Water	21,885,646	87.542%	19,159,146	-	19,159,146
19	333	Water Wheels, Turbines, Generators	14,046,742	87.349%	12,269,675	-	12,269,675
20	334	Accessory Electric Equipment	1,362,585	87.464%	1,191,773	-	1,191,773
21	335	Misc Power Plant Equipment	316,947	87.487%	277,288	-	277,288
22	336	Roads, Railroads, and Bridges	234,509	87.714%	205,698	-	205,698
23	337	ARO Cost Hydro Production	645,788	87.714%	566,448	(566,448)	-
24		Total Electric Hydro Production	<u>42,347,244</u>		<u>37,051,435</u>	<u>(566,448)</u>	<u>36,484,987</u>
25		<u>Electric Other Production</u>					
26	340	Land and Land Rights	473,579	87.714%	415,396	-	415,396
27	341	Structures and Improvements	85,079,739	87.140%	74,138,833	-	74,138,833
28	342	Fuel Holders, Producers, Accessories	61,787,009	87.542%	54,089,738	-	54,089,738
29	343	Prime Movers	640,231,310	87.276%	558,767,419	-	558,767,419

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.1

PAGE 2 OF 6

WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT / SUBACCOUNT TITLES	BASE PERIOD	JURIS. PERCENT	JURISDICTIONAL	ADJUSTMENTS	ADJUSTED
			TOTAL COMPANY		TOTAL		JURISDICTION
			\$		\$	\$	\$
30	344	Generators	131,135,795	87.231%	114,391,363	-	114,391,363
31	345	Accessory Electric Equipment	66,420,993	87.292%	57,980,016	-	57,980,016
32	346	Misc Power Plant Equipment	8,988,894	87.383%	7,854,759	-	7,854,759
33	347	ARO Cost Other Production	403,344	87.714%	353,790	(353,790)	-
34		Total Electric Other Production	994,520,662		867,991,313	(353,790)	867,637,523
35		<u>Electric Transmission</u>					
36	350	Land and Land Rights	31,890,110	89.634%	28,584,318	-	28,584,318
37	352	Structures and Improvements	29,001,634	90.097%	26,129,489	-	26,129,489
38	353	Station Equipment	288,168,846	87.993%	253,568,506	-	253,568,506
39	354	Towers and Fixtures	76,577,768	91.847%	70,334,763	-	70,334,763
40	355	Poles and Fixtures	268,525,059	91.214%	244,932,580	-	244,932,580
41	356	OH Conductors and Devices	185,274,081	88.033%	163,102,091	-	163,102,091
42	357	Underground Conduit	448,760	95.510%	428,609	-	428,609
43	358	UG Conductors and Devices	1,117,877	95.522%	1,067,815	-	1,067,815
44	359	ARO Cost Elec Transmission	568,682	95.808%	544,842	(544,842)	-
45		Total Electric Transmission	881,572,817		788,693,012	(544,842)	788,148,170
46		<u>Electric Distribution</u>					
47	360	Land and Land Rights	7,728,975	97.316%	7,521,527	-	7,521,527
48	361	Structures and Improvements	12,770,359	93.384%	11,925,467	-	11,925,467
49	362	Station Equipment	187,967,531	93.539%	175,823,606	-	175,823,606
50	364	Poles, Towers, and Fixtures	378,845,471	92.494%	350,409,411	(24,540)	350,384,872
51	365	OH Conductors and Devices	358,811,167	92.971%	333,590,979	(21,941)	333,569,039
52	366	Underground Conduit	2,390,171	100.000%	2,390,171	(171,003)	2,219,169
53	367	UG Conductors and Devices	191,998,775	97.534%	187,263,692	(1,293,411)	185,970,282
54	368	Line Transformers	315,252,000	95.798%	302,004,601	-	302,004,601
55	369	Services	103,514,334	94.687%	98,015,092	-	98,015,092
56	370	Meters	78,442,370	95.502%	74,914,274	-	74,914,274
57	371	Install on Customer Premise	-	100.000%	-	-	-
58	373	Street Lighting / Signal Systems	118,022,265	96.842%	114,295,615	-	114,295,615
59	374	ARO Cost Elec Distribution	693,403	100.000%	693,403	(693,403)	-
60		Total Electric Distribution	1,756,436,822		1,658,847,839	(2,204,297)	1,656,643,542

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S).:

SCHEDULE B-2.1

PAGE 3 OF 6

WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT / SUBACCOUNT TITLES	BASE PERIOD TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$		\$	\$	\$
61		<u>Electric General Plant</u>					
62	389	Land and Land Rights	3,430,117	90.298%	3,097,324	-	3,097,324
63	390	Structures and Improvements	59,287,248	90.298%	53,535,147	-	53,535,147
64	391	Office Furniture and Equipment	41,012,052	90.298%	37,033,026	-	37,033,026
65	392	Transportation Equipment	7,164,096	90.298%	6,469,029	(30,825)	6,438,203
66	393	Stores Equipment	910,971	90.298%	822,588	-	822,588
67	394	Tools, Shop, and Garage Equipment	13,331,262	90.298%	12,037,851	-	12,037,851
68	395	Laboratory Equipment	-		-	-	-
69	396	Power Operated Equipment	2,418,393	90.298%	2,183,758	-	2,183,758
70	397	Communication Equipment	56,935,082	89.903%	51,186,265	(8,042,755)	43,143,511
71	398	Miscellaneous Equipment	-	90.298%	-	-	-
72		Total Electric General Plant	184,489,221		166,364,987	(8,073,580)	158,291,407
73		TOTAL ELECTRIC PLANT IN SERVICE	9,099,149,062		8,079,768,983	(1,354,963,341)	6,724,805,641

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.2
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
			\$		\$		
1	310	Land and Land Rights	(11,813,295)	87.714%	(10,361,938)		ECR amounts excluded from rate base
2	311	Structures and Improvements	(12,022,485)	86.784%	(10,433,572)		ECR amounts excluded from rate base
3	312	Boiler Plant Equipment	(1,259,031,092)	87.034%	(1,095,786,538)		ECR amounts excluded from rate base
4	315	Accessory Electric Equipment	(9,543,740)	86.569%	(8,261,884)		ECR amounts excluded from rate base
5	316	Misc Power Plant Equip	(824,923)	87.073%	(718,282)		ECR amounts excluded from rate base
6	317	ARO Cost Steam Production	(248,144,715)	87.714%	(217,658,171)		ARO amounts excluded from rate base
7	337	ARO Cost Hydro Production	(645,788)	87.714%	(566,448)		ARO amounts excluded from rate base
8	347	ARO Cost Other Production	(403,344)	87.714%	(353,790)		ARO amounts excluded from rate base
9	359	ARO Cost Elec Transmission	(568,682)	95.808%	(544,842)		ARO amounts excluded from rate base
10	364	Poles, Towers, and Fixtures	(26,531)	92.494%	(24,540)		ECR amounts excluded from rate base
11	365	OH Conductors and Devices	(23,599)	92.971%	(21,941)		ECR amounts excluded from rate base
12	366	Underground Conduit	(171,003)	100.000%	(171,003)		ECR amounts excluded from rate base
13	367	UG Conductors and Devices	(1,326,115)	97.534%	(1,293,411)		ECR amounts excluded from rate base
14	374	ARO Cost Elec Distribution	(693,403)	100.000%	(693,403)		ARO amounts excluded from rate base
15	392	Transportation Equipment	(34,137)	90.298%	(30,825)		ECR amounts excluded from rate base
16	397	Communication Equipment	(8,042,755)	100.000%	(8,042,755)		DSM amounts excluded from rate base
17		TOTAL ADJUSTMENTS	(1,553,315,608)		(1,354,963,341)		

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM MARCH 1, 2016 TO FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-2.3

TYPE OF FILING: ORIGINAL UPDATED REVISED

PAGE 1 OF 6

WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	BASE PERIOD ENDING BALANCE
			\$	\$	\$	\$	\$
1		<u>Electric Intangible Plant</u>					
2	301	Organization	44,456	-	-	-	44,456
3	302	Franchises and Consents	55,919	-	-	-	55,919
4	303	Misc Intangible Plant	93,497,219	12,137,579	(5,834,515)	-	99,800,283
5		Total Intangible Plant	93,597,593	12,137,579	(5,834,515)	-	99,900,657
6		<u>Electric Steam Production</u>					
7	310	Land and Land Rights	22,958,202	277,083	(103,619)	(162,070)	22,969,597
8	311	Structures and Improvements	338,074,045	2,679,388	(927,923)	(4,924,909)	334,900,600
9	312	Boiler Plant Equipment	3,791,160,275	157,496,150	(9,406,992)	4,982,727	3,944,232,161
9	313	Engines and engine-driven generators	-	-	-	-	-
10	314	Turbogenerator Units	329,044,971	6,767,228	(1,915,020)	-	333,897,178
11	315	Accessory Electric Equipment	221,766,132	(910,742)	(251,409)	-	220,603,981
12	316	Misc Power Plant Equip	36,595,259	(781,019)	(623,016)	(57,817)	35,133,407
13	317	ARO Cost Steam Production	329,221,435	(76,930,368)	(2,172,752)	(1,973,601)	248,144,715
14		Total Electric Steam Production	5,068,820,321	88,597,720	(15,400,730)	(2,135,671)	5,139,881,639
15		<u>Electric Hydro Production</u>					
16	330	Land and Land Rights	879,311	-	(23,675)	-	855,636
17	331	Structures and Improvements	2,928,677	1,487	69,227	-	2,999,391
18	332	Reservoirs, Dams, and Water	21,885,646	-	-	-	21,885,646
19	333	Water Wheels, Turbines, Generators	14,046,742	-	-	-	14,046,742
20	334	Accessory Electric Equipment	1,368,154	(5,569)	-	-	1,362,585
21	335	Misc Power Plant Equipment	316,947	-	-	-	316,947
22	336	Roads, Railroads, and Bridges	234,509	-	-	-	234,509
23	337	ARO Cost Hydro Production	274,311	457,960	(86,482)	-	645,788
24		Total Electric Hydro Production	41,934,296	453,878	(40,931)	-	42,347,244
25		<u>Electric Other Production</u>					
26	340	Land and Land Rights	311,508	-	-	162,070	473,579
27	341	Structures and Improvements	83,427,929	1,747,452	(95,643)	-	85,079,739
28	342	Fuel Holders, Producers, Accessories	160,059,128	(98,252,996)	(19,123)	-	61,787,009
29	343	Prime Movers	473,841,058	169,170,644	(2,780,392)	-	640,231,310

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM MARCH 1, 2016 TO FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-2.3

TYPE OF FILING: ORIGINAL UPDATED REVISED

PAGE 2 OF 6

WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	BASE PERIOD ENDING BALANCE
			\$	\$	\$	\$	\$
30	344	Generators	172,529,396	(40,960,985)	(432,616)	-	131,135,795
31	345	Accessory Electric Equipment	73,546,591	(7,010,096)	(115,501)	-	66,420,993
32	346	Misc Power Plant Equipment	5,655,608	3,454,852	(121,566)	-	8,988,894
33	347	ARO Cost Other Production	403,344	-	-	-	403,344
34		Total Electric Other Production	969,774,564	28,148,869	(3,564,841)	162,070	994,520,662
35		<u>Electric Transmission</u>					
36	350	Land and Land Rights	31,789,265	100,844	-	-	31,890,110
37	352	Structures and Improvements	25,510,117	3,701,498	(205,035)	(4,947)	29,001,634
38	353	Station Equipment	266,144,624	24,222,772	(2,408,875)	210,325	288,168,846
39	354	Towers and Fixtures	76,386,996	225,771	(34,998)	-	76,577,768
40	355	Poles and Fixtures	231,267,997	40,165,555	(2,772,033)	(136,459)	268,525,059
41	356	OH Conductors and Devices	179,410,948	8,080,585	(2,217,452)	-	185,274,081
42	357	Underground Conduit	448,760	-	-	-	448,760
43	358	UG Conductors and Devices	1,173,303	1,730	(2,979)	(54,177)	1,117,877
44	359	ARO Cost Elec Transmission	413,451	155,231	-	-	568,682
45		Total Electric Transmission	812,545,461	76,653,986	(7,641,372)	14,741	881,572,817
46		<u>Electric Distribution</u>					
47	360	Land and Land Rights	7,842,857	-	-	(113,882)	7,728,975
48	361	Structures and Improvements	12,363,664	417,303	(15,554)	4,947	12,770,359
49	362	Station Equipment	177,353,780	11,696,811	(1,009,194)	(73,866)	187,967,531
50	364	Poles, Towers, and Fixtures	363,606,045	17,278,521	(2,039,095)	-	378,845,471
51	365	OH Conductors and Devices	347,947,251	22,373,311	(11,563,571)	54,177	358,811,167
52	366	Underground Conduit	2,175,967	216,390	(2,186)	-	2,390,171
53	367	UG Conductors and Devices	183,771,556	9,067,769	(840,551)	-	191,998,775
54	368	Line Transformers	308,657,327	8,067,241	(1,472,568)	-	315,252,000
55	369	Services	94,952,825	8,814,599	(253,090)	-	103,514,334
56	370	Meters	76,867,764	2,402,598	(827,991)	-	78,442,370
57	371	Install on Customer Premise	17,053,369	-	4,458	(17,057,827)	-
58	373	Street Lighting / Signal Systems	97,550,422	8,037,673	(4,623,657)	17,057,827	118,022,265
59	374	ARO Cost Elec Distribution	907,695	(211,494)	(2,799)	-	693,403
60		Total Electric Distribution	1,691,050,523	88,160,722	(22,645,799)	(128,624)	1,756,436,822

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM MARCH 1, 2016 TO FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.3
PAGE 3 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	BASE PERIOD ENDING BALANCE
			\$	\$	\$	\$	\$
61		Electric General Plant					
62	389	Land and Land Rights	2,810,082	620,035	-	-	3,430,117
63	390	Structures and Improvements	57,339,357	2,608,793	(660,902)	-	59,287,248
64	391	Office Furniture and Equipment	44,899,879	4,915,204	(8,803,031)	-	41,012,052
65	392	Transportation Equipment	5,576,344	1,854,340	(266,589)	-	7,164,096
66	393	Stores Equipment	1,507,726	(596,755)	-	-	910,971
67	394	Tools, Shop, and Garage Equipment	12,507,895	927,647	(104,280)	-	13,331,262
68	395	Laboratory Equipment	-	-	-	-	-
69	396	Power Operated Equipment	2,278,515	139,878	-	-	2,418,393
70	397	Communication Equipment	52,570,950	6,268,234	(1,904,101)	-	56,935,082
71	398	Miscellaneous Equipment	-	-	-	-	-
72		Total Electric General Plant	179,490,747	16,737,375	(11,738,902)	-	184,489,221
73		TOTAL ELECTRIC PLANT IN SERVICE	8,857,213,505	310,890,130	(66,867,090)	(2,087,483)	9,099,149,062

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PROPERTY MERGED OR ACQUIRED
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.4

PAGE 1 OF 2

WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTION OF PROPERTY	ACQUISITION COST	COST BASIS	ACQUISITION ADJUSTMENT	COMMISSION APPROVAL DATE (DOCKET NO.)	DATE OF ACQUISITION	EXPLANATION OF TREATMENT
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THE COMPANY HAS NOT MERGED OR ACQUIRED PROPERTY FROM OTHER THAN AFFILIATED COMPANIES.

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

LEASED PROPERTY

AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.5

PAGE 1 OF 2

WITNESS: C. M. GARRETT

LINE NO.	IDENTIFICATION OR REFERENCE NUMBER	DESCRIPTION OF TYPE AND USE OF PROPERTY	NAME OF LESSEE	FREQUENCY OF PAYMENT	AMOUNT OF LEASE PAYMENT	DOLLAR VALUE OF PROPERTY INVOLVED	EXPLANATION METHOD OF CAPITALIZATION
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THE COMPANY DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.6
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION AND LOCATION OF PROPERTY	ACQUISITION DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	JURIS PERCENT	NET ORIGINAL COST	REVENUE REALIZED		EXPENSES INCURRED		
							AMOUNT	ACCT NO.	DESCRIPTION	AMOUNT	ACCT NO.
			\$	\$		\$	\$			\$	
1	Land located at Green River CC GT intended for Generation	1-Jul-2014	309,541	-	87.714%	271,511	-			-	
2	Land and site prep located at London, Kentucky intended for Substation	1-Aug-2011	113,882	-	100.000%	113,882	-			-	
3	Land and site prep located at Pennington Gap intended for Substation	28-Dec-2011	324,088	-	0.000%	-	-			-	

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)
AS OF FEBRUARY 28, 2017

DATA: __X__ BASE PERIOD __ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S):.

SCHEDULE B-2.7
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE OR DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	PERIOD REVENUE AND EXPENSE		ACCT NO.	DESCRIPTION	REASONS FOR EXCLUSION
						NET ORIGINAL COST	AMOUNT			
				\$	\$	\$	\$			
1		Land and Land Rights:								
2	121	Augusta	31-Jul-1973	7,073	-	7,073				Non-utility property not included in rate base
3	121	Blackmount Substation	31-Dec-1959	2,210	-	2,210				Non-utility property not included in rate base
4	121	Campbellsville	31-Jul-1991	29,789	-	29,789				Non-utility property not included in rate base
5	121	Carrollton	31-Dec-1941	75	-	75				Non-utility property not included in rate base
6	121	Cumberland Substation	31-Aug-1941	500	-	500				Non-utility property not included in rate base
7	121	Graham Generating Plant	28-Feb-1941	962	-	962				Non-utility property not included in rate base
8	121	Iron Works Pike Substation	31-Oct-1953	212	-	212				Non-utility property not included in rate base
9	121	Lexington Generating Plant	30-Sep-1940	12,950	-	12,950				Non-utility property not included in rate base
10	121	Lexington	31-Oct-1967	79,502	-	79,502				Non-utility property not included in rate base
11	121	Middlesboro	31-Dec-1941	250	-	250				Non-utility property not included in rate base
12	121	Nortonville	31-Aug-1950	429	-	429				Non-utility property not included in rate base
13	121	Pineville	31-Dec-1941	150	-	150				Non-utility property not included in rate base
14	121	Polo Club Distribution Substation	28-Feb-2010	792,599	-	792,599				Non-utility property not included in rate base
15	121	Williamsburg	31-Dec-1941	850	-	850				Non-utility property not included in rate base
16	121	Retired Great Crossing substation 0672	30-Sep-1949	146	-	146				Non-utility property not included in rate base
17	121	Retired London Substation 0533	30-Sep-1941	3,591	-	3,591				Non-utility property not included in rate base
18	121	Richmond Substation	31-Aug-1990	193	-	193				Non-utility property not included in rate base
19	121	Richmond Valley View Plant Site	31-Jan-1999	3,403	-	3,403				Non-utility property not included in rate base
20	121	Russell Springs	31-Jul-1958	160	-	160				Non-utility property not included in rate base
21	121	Salt Lick	31-Dec-1941	73	-	73				Non-utility property not included in rate base
22	121	Stamping Ground	31-Dec-1941	60	-	60				Non-utility property not included in rate base
23	121	Winchester	31-Oct-1985	28,294	-	28,294				Non-utility property not included in rate base
24	121	Graham Generating Plant - Land Rights	28-Feb-1941	800	-	800				Non-utility property not included in rate base
25	121	Morehead - Land Rights	30-Apr-1941	87	-	87				Non-utility property not included in rate base
26	121	Nortonville - Land Rights	31-Aug-1950	2,857	-	2,857				Non-utility property not included in rate base
27	121	Williamsburg - Land Rights	31-Dec-1959	4,100	-	4,100				Non-utility property not included in rate base
28		TOTAL		971,313	-	971,313				Non-utility property not included in rate base

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 1 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	RESERVE BALANCES					
			BASE PERIOD TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$	\$		\$	\$	\$
1		<u>Electric Intangible Plant</u>						
2	301	Organization	44,456	-	88.794%	-	-	-
3	302	Franchises and Consents	55,919	(64,830)	100.000%	(64,830)	-	(64,830)
4	303	Misc Intangible Plant	99,800,283	(52,456,346)	88.794%	(46,578,007)	-	(46,578,007)
5		Total Intangible Plant	99,900,657	(52,521,176)		(46,642,837)	-	(46,642,837)
6		<u>Electric Steam Production</u>						
7	310	Land and Land Rights	22,969,597	23,102	86.522%	19,989	-	19,989
8	311	Structures and Improvements	334,900,600	(176,553,372)	86.522%	(152,756,757)	358,999	(152,397,757)
9	312	Boiler Plant Equipment	3,944,232,161	(1,112,800,250)	86.522%	(962,812,290)	50,159,520	(912,652,770)
9	313	Engines and engine-driven generators	-	-	86.522%	-	-	-
10	314	Turbogenerator Units	333,897,178	(165,276,359)	86.522%	(142,999,707)	-	(142,999,707)
11	315	Accessory Electric Equipment	220,603,981	(105,448,352)	86.522%	(91,235,574)	219,021	(91,016,553)
12	316	Misc Power Plant Equip	35,133,407	(16,243,493)	86.522%	(14,054,125)	14,977	(14,039,149)
13	317	ARO Cost Steam Production	248,144,715	(97,122,036)	86.522%	(84,031,514)	84,031,514	-
14		Total Electric Steam Production	5,139,881,639	(1,673,420,759)		(1,447,869,978)	134,784,031	(1,313,085,947)
15		<u>Electric Hydro Production</u>						
16	330	Land and Land Rights	855,636	(912,333)	87.595%	(799,157)	-	(799,157)
17	331	Structures and Improvements	2,999,391	(368,978)	87.595%	(323,206)	-	(323,206)
18	332	Reservoirs, Dams, and Water	21,885,646	(8,849,845)	87.595%	(7,752,018)	-	(7,752,018)
19	333	Water Wheels, Turbines, Generators	14,046,742	(1,404,736)	87.595%	(1,230,478)	-	(1,230,478)
20	334	Accessory Electric Equipment	1,362,585	(276,152)	87.595%	(241,896)	-	(241,896)
21	335	Misc Power Plant Equipment	316,947	(132,754)	87.595%	(116,285)	-	(116,285)
22	336	Roads, Railroads, and Bridges	234,509	(81,101)	87.595%	(71,040)	-	(71,040)
23	337	ARO Cost Hydro Production	645,788	(22,683)	87.595%	(19,869)	19,869	-
24		Total Electric Hydro Production	42,347,244	(12,048,581)		(10,553,949)	19,869	(10,534,080)
25		<u>Electric Other Production</u>						
26	340	Land and Land Rights	473,579	(121,143)	87.285%	(105,739)	-	(105,739)
27	341	Structures and Improvements	85,079,739	(21,371,001)	87.285%	(18,653,693)	-	(18,653,693)
28	342	Fuel Holders, Producers, Accessories	61,787,009	(18,094,890)	87.285%	(15,794,138)	-	(15,794,138)
29	343	Prime Movers	640,231,310	(180,481,527)	87.285%	(157,533,432)	-	(157,533,432)

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 2 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	RESERVE BALANCES					
			BASE PERIOD TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$	\$		\$	\$	\$
30	344	Generators	131,135,795	(38,362,719)	87.285%	(33,484,927)	-	(33,484,927)
31	345	Accessory Electric Equipment	66,420,993	(23,405,896)	87.285%	(20,429,854)	-	(20,429,854)
32	346	Misc Power Plant Equipment	8,988,894	(3,099,024)	87.285%	(2,704,985)	-	(2,704,985)
33	347	ARO Cost Other Production	403,344	(36,444)	87.285%	(31,810)	31,810	-
34		Total Electric Other Production	994,520,662	(284,972,643)		(248,738,578)	31,810	(248,706,768)
35		<u>Electric Transmission</u>						
36	350	Land and Land Rights	31,890,110	(17,350,739)	87.649%	(15,207,785)	-	(15,207,785)
37	352	Structures and Improvements	29,001,634	(6,698,757)	87.649%	(5,871,408)	-	(5,871,408)
38	353	Station Equipment	288,168,846	(79,509,891)	87.649%	(69,689,791)	-	(69,689,791)
39	354	Towers and Fixtures	76,577,768	(50,276,578)	87.649%	(44,067,024)	-	(44,067,024)
40	355	Poles and Fixtures	268,525,059	(69,517,751)	87.649%	(60,931,760)	-	(60,931,760)
41	356	OH Conductors and Devices	185,274,081	(113,080,980)	87.649%	(99,114,586)	-	(99,114,586)
42	357	Underground Conduit	448,760	(241,530)	87.649%	(211,699)	-	(211,699)
43	358	UG Conductors and Devices	1,117,877	(940,299)	87.649%	(824,165)	-	(824,165)
44	359	ARO Cost Elec Transmission	568,682	(44,974)	87.649%	(39,419)	39,419	-
45		Total Electric Transmission	881,572,817	(337,661,500)		(295,957,637)	39,419	(295,918,218)
46		<u>Electric Distribution</u>						
47	360	Land and Land Rights	7,728,975	(1,472,781)	93.548%	(1,377,757)	-	(1,377,757)
48	361	Structures and Improvements	12,770,359	(2,466,598)	93.548%	(2,307,451)	-	(2,307,451)
49	362	Station Equipment	187,967,531	(50,226,934)	93.548%	(46,986,261)	-	(46,986,261)
50	364	Poles, Towers, and Fixtures	378,845,471	(157,413,645)	93.548%	(147,257,218)	1,422	(147,255,796)
51	365	OH Conductors and Devices	358,811,167	(116,604,295)	93.548%	(109,080,913)	1,753	(109,079,160)
52	366	Underground Conduit	2,390,171	(888,295)	100.000%	(888,295)	11,350	(876,945)
53	367	UG Conductors and Devices	191,998,775	(44,199,179)	93.548%	(41,347,420)	72,278	(41,275,142)
54	368	Line Transformers	315,252,000	(147,863,221)	93.548%	(138,322,993)	-	(138,322,993)
55	369	Services	103,514,334	(63,024,398)	93.548%	(58,958,025)	-	(58,958,025)
56	370	Meters	78,442,370	(39,042,317)	93.548%	(36,523,282)	-	(36,523,282)
57	371	Install on Customer Premise	-	-	93.548%	-	-	-
58	373	Street Lighting / Signal Systems	118,022,265	(37,738,038)	93.548%	(35,303,157)	-	(35,303,157)
59	374	ARO Cost Elec Distribution	693,403	(103,881)	100.000%	(103,881)	103,881	-
60		Total Electric Distribution	1,756,436,822	(661,043,582)		(618,456,652)	190,684	(618,265,968)

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 3 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	RESERVE BALANCES					
			BASE PERIOD TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$	\$		\$	\$	\$
61		Electric General Plant						
62	389	Land and Land Rights	3,430,117	1,089	90.630%	987	-	987
63	390	Structures and Improvements	59,287,248	(12,078,222)	90.630%	(10,946,444)	-	(10,946,444)
64	391	Office Furniture and Equipment	41,012,052	(21,648,433)	90.630%	(19,619,888)	-	(19,619,888)
65	392	Transportation Equipment	7,164,096	(3,951,374)	90.630%	(3,581,115)	24,792	(3,556,323)
66	393	Stores Equipment	910,971	(389,180)	90.630%	(352,712)	-	(352,712)
67	394	Tools, Shop, and Garage Equipment	13,331,262	(4,102,343)	90.630%	(3,717,937)	-	(3,717,937)
68	395	Laboratory Equipment	-	-	90.630%	-	-	-
69	396	Power Operated Equipment	2,418,393	(977,372)	90.630%	(885,789)	-	(885,789)
70	397	Communication Equipment	56,935,082	(18,815,179)	90.630%	(17,052,121)	942,492	(16,109,630)
71	398	Miscellaneous Equipment	-	-	90.630%	-	-	-
72		Total Electric General Plant	184,489,221	(61,961,015)		(56,155,019)	967,284	(55,187,736)
73		TOTAL ELECTRIC PLANT	9,099,149,062	(3,083,629,255)		(2,724,374,651)	136,033,097	(2,588,341,554)

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-3.1
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL	JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT	
			COMPANY ADJUSTMENT					
			\$					\$
1	311	Structures and Improvements	414,925	86.522%	358,999		ECR amounts excluded from rate base	
2	312	Boiler Plant Equipment	57,973,425	86.522%	50,159,520		ECR amounts excluded from rate base	
3	315	Accessory Electric Equipment	253,141	86.522%	219,021		ECR amounts excluded from rate base	
4	316	Accessory Electric Equipment	17,310	86.522%	14,977		ECR amounts excluded from rate base	
5	317	ARO Cost Steam Production	97,122,036	86.522%	84,031,514		ARO amounts excluded from rate base	
6	337	ARO Cost Hydro Production	22,683	87.595%	19,869		ARO amounts excluded from rate base	
7	347	ARO Cost Other Production	36,444	87.285%	31,810		ARO amounts excluded from rate base	
8	359	ARO Cost Elec Transmission	44,974	87.649%	39,419		ARO amounts excluded from rate base	
9	364	Poles, Towers, and Fixtures	1,520	93.548%	1,422		ECR amounts excluded from rate base	
10	365	OH Conductors and Devices	1,874	93.548%	1,753		ECR amounts excluded from rate base	
11	366	Underground Conduit	11,350	100.000%	11,350		ECR amounts excluded from rate base	
12	367	UG Conductors and Devices	77,263	93.548%	72,278		ECR amounts excluded from rate base	
13	374	ARO Cost Elec Distribution	103,881	100.000%	103,881		ARO amounts excluded from rate base	
14	392	Transportation Equipment	27,355	90.630%	24,792		ECR amounts excluded from rate base	
15	397	Communication Equipment	942,492	100.000%	942,492		DSM amounts excluded from rate base	
16		TOTAL ADJUSTMENTS	157,050,672		136,033,097			

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
AS OF FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD

SCHEDULE B-3.2

TYPE OF FILING: ORIGINAL X UPDATED REVIS

PAGE 1 OF 4

WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		ACCRUAL RATE (1) (F)	CALCULATED DEPRECIATION EXPENSE (G=DxF)	% NET SALVAGE (H)	REMAINING SERVICE LIFE (I)	CURVE FORM (J)
			PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)					
			\$	\$				\$	
1		<u>Electric Intangible Plant</u>							
2	301	Organization	39,474	-	0.00%	-	0%		
3	302	Franchises and Consents	55,919	64,830	11.62%	6,498	0%	3.3	20-SQ
4	303	Misc Intangible Plant	88,616,509	46,578,007	11.62%	10,297,238	0%	3.9-7.5	5-SQ, SQUARE
5		Total Intangible Plant	88,711,901	46,642,837		10,303,736			
6		<u>Electric Steam Production</u>							
7	310	Land and Land Rights	9,785,662	(19,989)	0.00%	-	0%		
8	311	Structures and Improvements	280,205,955	152,397,757	1.87%	5,227,005	-1%,-2%,-3%,-4%,-5%,-11%	31.5	100-S1
9	312	Boiler Plant Equipment	2,337,040,921	912,652,770	2.81%	65,563,766	-2%,-3%,-4%,-5%,-11%	26.7	60-R2.5
9	313	Engines and engine-driven generators	-	-					
10	314	Turbogenerator Units	289,270,335	142,999,707	2.08%	6,012,298	-2%,-3%,-4%,-5%,-11%	26.3	55-S1.5
11	315	Accessory Electric Equipment	182,711,943	91,016,553	2.48%	4,539,386	-2%,-3%,-4%,-5%,-11%	25.6	70-S3
12	316	Misc Power Plant Equip	29,873,294	14,039,149	2.95%	881,826	-1%,-2%,-3%,-4%,-5%,-11%	18.1	70-R1.5
13	317	ARO Cost Steam Production	-	-					
14		Total Electric Steam Production	3,128,888,110	1,313,085,947		82,224,281			
15		<u>Electric Hydro Production</u>							
16	330	Land and Land Rights	750,515	799,157	0.00%	-	0%	-	100-R4
17	331	Structures and Improvements	2,630,892	323,206	1.62%	42,620	-3%	28.2	90-S2.5
18	332	Reservoirs, Dams, and Water	19,159,146	7,752,018	2.48%	475,147	-3%	29.0	100-S2.5
19	333	Water Wheels, Turbines, Generators	12,269,675	1,230,478	3.66%	449,070	-3%	28.0	75-R3
20	334	Accessory Electric Equipment	1,191,773	241,896	3.51%	41,831	-3%	24.9	40-L2.5
21	335	Misc Power Plant Equipment	277,288	116,285	4.38%	12,145	-3%	16.9	35-L1
22	336	Roads, Railroads, and Bridges	205,698	71,040	3.85%	7,919	-3%	19.4	55-R4
23	337	ARO Cost Hydro Production	-	-					
24		Total Electric Hydro Production	36,484,987	10,534,080		1,028,733			
25		<u>Electric Other Production</u>							
26	340	Land and Land Rights	415,396	105,739	2.24%	9,305	0%	19.5	SQUARE
27	341	Structures and Improvements	74,138,833	18,653,693	3.61%	2,678,166	-2%,-3%	18.4	40-R2.5
28	342	Fuel Holders, Producers, Accessories	54,089,738	15,794,138	3.54%	1,916,915	-2%,-3%	18.1	45-R2.5
29	343	Prime Movers	558,767,419	157,533,432	4.25%	23,762,166	-2%,-3%	16.6	35-R1.5
30	344	Generators	114,391,363	33,484,927	3.21%	3,670,397	-2%,-3%	18.4	55-S3
31	345	Accessory Electric Equipment	57,980,016	20,429,854	3.83%	2,221,994	-2%,-3%	18.4	45-R3
32	346	Misc Power Plant Equipment	7,854,759	2,704,985	3.82%	299,848	-2%,-3%	16.2	35-R2
33	347	ARO Cost Other Production	-	-					
34		Total Electric Other Production	867,637,523	248,706,768		34,558,791			
35		<u>Electric Transmission</u>							
36	350	Land and Land Rights	28,584,318	15,207,785	0.00%	-	0%		
37	352	Structures and Improvements	26,129,489	5,871,408	1.74%	454,513	-25%	34.5-55.1	60-R3, 65-S2.5
38	353	Station Equipment	253,568,506	69,689,791	1.67%	4,234,594	-10%	44.8	60-R2, 35-R2.5
39	354	Towers and Fixtures	70,334,763	44,067,024	1.36%	956,553	-25%	54.2	70-R4
40	355	Poles and Fixtures	244,932,580	60,931,760	2.34%	5,731,422	-55%	46.5	55-R2
41	356	OH Conductors and Devices	163,102,091	99,114,586	1.94%	3,164,181	-50%	42.3	60-R3
42	357	Underground Conduit	428,609	211,699	2.27%	9,729	0%	25.6	45-R4
43	358	UG Conductors and Devices	1,067,815	824,165	0.98%	10,465	0%	21.3	35-R3
44	359	ARO Cost Elec Transmission	-	-					
45		Total Electric Transmission	788,148,170	295,918,218		14,561,457			

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-3.2

TYPE OF FILING: ORIGINAL UPDATED REVISED

PAGE 2 OF 4

WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		ACCRUAL RATE (1) (F)	CALCULATED DEPRECIATION EXPENSE (G=DxF)	% NET SALVAGE (H)	REMAINING SERVICE LIFE (I)	CURVE FORM (J)
			PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)					
			\$	\$		\$			
46		Electric Distribution							
47	360	Land and Land Rights	7,521,527	1,377,757	0.00%	-	0%		
48	361	Structures and Improvements	11,925,467	2,307,451	2.00%	238,509	-20%	48.3	60-R2.5
49	362	Station Equipment	175,823,606	46,986,261	2.27%	3,991,196	-20%	40.4	54-R2
50	364	Poles, Towers, and Fixtures	350,384,872	147,255,796	2.33%	8,163,968	-45%	42.3	50-R1
51	365	OH Conductors and Devices	333,569,039	109,079,160	3.23%	10,774,280	-60%	37.4	48-R1.5
52	366	Underground Conduit	2,219,169	876,945	2.70%	59,918	-5%	25.9	50-R4
53	367	UG Conductors and Devices	185,970,282	41,275,142	2.37%	4,407,496	-10%	37.7	44-R2
54	368	Line Transformers	302,004,601	138,322,993	2.45%	7,399,113	-15%	30.1	43-R2
55	369	Services	98,015,092	58,958,025	2.03%	1,989,706	-30%	32.1	43-R1.5
56	370	Meters	74,914,274	36,523,282	2.29%	1,715,537	0%	23.4	39-R2
57	371	Install on Customer Premise	-	-	0.81%	-	-10%	18.1	25-O1
58	373	Street Lighting / Signal Systems	114,295,615	35,303,157	4.00%	4,571,825	-10%	21.2	28-S0
59	374	ARO Cost Elec Distribution	-	-		-			
60		Total Electric Distribution	<u>1,656,643,542</u>	<u>618,265,968</u>		<u>43,311,546</u>			
61		Electric General Plant							
62	389	Land and Land Rights	3,097,324	(987)	0.00%	-	0%		
63	390	Structures and Improvements	53,535,147	10,946,444	2.01%	1,074,517	-10%	18.8-44.5	55-S0, 30-R1
64	391	Office Furniture and Equipment	37,033,026	19,619,888	14.86%	5,501,337	0%	3.2-10.0	4-SQ, 5-SQ, 20-SQ
65	392	Transportation Equipment	6,438,203	3,556,323	0.76%	49,241	0%	6.3-12.3	7-L2.5, 14-S1.5
66	393	Stores Equipment	822,588	352,712	5.07%	41,705	0%	13.9	25-SQ
67	394	Tools, Shop, and Garage Equipment	12,037,851	3,717,937	4.27%	514,016	0%	18.0	25-SQ
68	395	Laboratory Equipment	-	-		-			
69	396	Power Operated Equipment	2,183,758	885,789	8.89%	194,136	0%	9.9	12-L1.5
70	397	Communication Equipment	43,143,511	16,109,630	4.41%	1,900,870	0%	8.5-19.1	10-SQ, 25-S1
71	398	Miscellaneous Equipment	-	-		-			
72		Total Electric General Plant	<u>158,291,407</u>	<u>55,187,736</u>		<u>9,275,823</u>			
73		TOTAL ELECTRIC PLANT	<u><u>6,724,805,641</u></u>	<u><u>2,588,341,554</u></u>		<u><u>195,264,368</u></u>			

Notes:

(1) Accrual Rates reflect depreciation rates approved in Case No. 2012-00549.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
CONSTRUCTION WORK IN PROGRESS
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-4
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	MAJOR PROPERTY GROUPING	CONSTRUCTION AMOUNT	ACCUMULATED COSTS		TOTAL COSTS	JURIS. PERCENT	JURISDICTIONAL TOTAL (a)	ADJUSTMENTS	ADJUSTED JURISDICTION
			AFUDC CAPITALIZED	INDIRECT COSTS					
		\$	\$	\$	\$		\$	\$	\$
ELECTRIC:									
1	PRODUCTION	116,838,764	175,739	-	117,014,504	87.582%	102,484,197	(71,125,789)	31,358,408
2	TRANSMISSION	39,447,792	-	-	39,447,792	94.429%	37,250,182		37,250,182
3	DISTRIBUTION	20,320,285	-	-	20,320,285	93.669%	19,033,742		19,033,742
4	GENERAL	23,906,019	-	-	23,906,019	90.670%	21,675,595		21,675,595
5	TOTAL ELECTRIC	200,512,860	175,739	-	200,688,599		180,443,715	(71,125,789)	109,317,926

(a) Excludes AFUDC Capitalized.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
ADJUSTMENTS TO CONSTRUCTION WORK IN PROGRESS
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-4.1
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	MAJOR PROPERTY GROUPING	TOTAL COMPANY ADJUSTMENT	JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
		\$		\$		
1	PRODUCTION	(81,210,071)	87.582%	(71,125,789)		Remove ECR CWIP
2	TRANSMISSION			-		
3	DISTRIBUTION			-		
4	GENERAL			-		
	TOTAL ADJUSTMENTS	<u>(81,210,071)</u>		<u>(71,125,789)</u>		

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
ALLOWANCE FOR WORKING CAPITAL
FROM MARCH 1, 2016 TO FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-5
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION OF METHODOLOGY USED TO DETERMINE JURISDICTIONAL REQUIREMENT	WORKPAPER REFERENCE NO.	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL AMOUNT
				\$		\$
	ELECTRIC:					
1	FUEL STOCK	13 MONTH AVERAGE BALANCE	B-5.1	100,107,461	87.998%	88,092,181
2	MATERIAL AND SUPPLIES	13 MONTH AVERAGE BALANCE	B-5.1	54,426,363	88.544%	48,191,145
3	PREPAYMENTS (a)	13 MONTH AVERAGE BALANCE	B-5.1	13,972,451	93.839%	13,111,620
4	EMISSION ALLOWANCES (b)	13 MONTH AVERAGE BALANCE	B-5.1	(0)	87.714%	(0)
5	CASH WORKING CAPITAL	1/8 O&M METHOD LESS PURCHASED POWER EXPENSE	B-5.2	<u>109,208,314</u>	89.078%	<u>97,280,809</u>
6	TOTAL WORKING CAPITAL REQUIREMENTS			<u><u>277,714,589</u></u>		<u><u>246,675,756</u></u>

(a) Excludes PSC fees.
(b) Excludes ECR amounts.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
OTHER WORKING CAPITAL COMPONENTS
FROM MARCH 1, 2016 TO FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-5.1

TYPE OF FILING: ORIGINAL UPDATED REVISED

PAGE 1 OF 2

WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD		
		TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL AMOUNT
		\$		\$
	ELECTRIC:			
1	FUEL STOCK	100,107,461	87.998%	88,092,181
2	MATERIAL AND SUPPLIES	54,426,363	88.544%	48,191,145
3	PREPAYMENTS (a)	13,972,451	93.839%	13,111,620
4	EMISSION ALLOWANCES (b)	<u>(0)</u>	87.714%	<u>(0)</u>
5	TOTAL OTHER WORKING CAPITAL	<u><u>168,506,275</u></u>		<u><u>149,394,947</u></u>

(a) Excludes PSC fees.

(b) Excludes ECR amounts.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
CASH WORKING CAPITAL COMPONENTS
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S).:

SCHEDULE B-5.2
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL AMOUNT
		\$		\$
	ELECTRIC:			
1	OPERATING AND MAINTENANCE EXPENSE (a)	916,746,853	89.025%	816,133,914
2	ELECTRIC POWER PURCHASED	<u>43,080,341</u>	87.946%	<u>37,887,442</u>
3	O&M LESS PURCHASE POWER EXPENSE (LINE 1 - 2)	<u><u>873,666,512</u></u>		<u><u>778,246,472</u></u>
4	CASH WORKING CAPITAL (12.5% OF LINE 3)	<u><u>109,208,314</u></u>		<u><u>97,280,809</u></u>

(a) Excludes ECR amounts.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-6
PAGE 1 OF 2
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTION	BASE PERIOD TOTAL COMPANY \$	JURIS. PERCENT	JURISDICTIONAL TOTAL \$	ADJUSTMENTS \$	ADJUSTED JURISDICTION \$
1	252	Customer Advances for Construction	1,492,766	98.313%	1,467,581	-	1,467,581
2	255	Deferred Investment Tax Credits	95,466,340	87.055%	83,107,975	-	83,107,975
3	190, 282, 283	Deferred Income Taxes (a)	1,164,314,484	89.090%	1,037,290,493	(239,764,680)	797,525,813
4	101, 108, 182, 230	Unamortized Closure Cost (a)	(3,304,917)	87.714%	(2,898,882)	2,898,882	-

(a) Adjustment reflects applicable ECR and DSM jurisdictional amounts.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: __X__ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL __X__ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-7
PAGE 1 OF 8
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTIONS BY ACCOUNT OR MAJOR GROUPINGS	JURIS. PERCENT	ALLOCATOR	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
1		<u>PLANT IN SERVICE</u>			
2		<u>Electric Intangible Plant</u>			
3	301	Organization	88.794%	PTDGPLT	Total Production, Transmission, Distribution, and General plant
4	302	Franchises and Consents	100.000%	KURETPLT	Total Kentucky Retail Production, Transmission, Distribution, and General plant
5	303	Misc Intangible Plant	88.794%	PTDGPLT	Total Production, Transmission, Distribution, and General plant
6		<u>Electric Steam Production</u>			
7	310	Land and Land Rights	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
8	311	Structures and Improvements	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
9	312	Boiler Plant Equipment	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
9	313	Engines and engine-driven generators	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
10	314	Turbogenerator Units	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
11	315	Accessory Electric Equipment	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
12	316	Misc Power Plant Equip	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
13	317	ARO Cost Steam Production	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
14	311-316	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
15		<u>Electric Hydro Production</u>			
16	330	Land and Land Rights	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
17	331	Structures and Improvements	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
18	332	Reservoirs, Dams, and Water	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
19	333	Water Wheels, Turbines, Generators	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
20	334	Accessory Electric Equipment	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
21	335	Misc Power Plant Equipment	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
22	336	Roads, Railroads, and Bridges	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
23	337	ARO Cost Hydro Production	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
24	332-335	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
25		<u>Electric Other Production</u>			
26	340	Land and Land Rights	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
27	341	Structures and Improvements	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
28	342	Fuel Holders, Producers, Accessories	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
29	343	Prime Movers	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
30	344	Generators	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
31	345	Accessory Electric Equipment	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
32	346	Misc Power Plant Equipment	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
33	347	ARO Cost Other Production	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
34	341-346	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
35		<u>Electric Transmission</u>			
36		<u>Kentucky System Property</u>			
37	350	Land and Land Rights	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
38	352	Structures and Improvements	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
39	353	Station Equipment	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
40	354	Towers and Fixtures	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
41	355	Poles and Fixtures	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
42	356	OH Conductors and Devices	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
43	357	Underground Conduit	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
44	358	UG Conductors and Devices	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: __X__ BASE PERIOD __ __ FORECASTED PERIOD
TYPE OF FILING: __ __ ORIGINAL __X__ UPDATED __ __ REVISIED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-7
PAGE 2 OF 8
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTIONS BY ACCOUNT OR MAJOR GROUPINGS	JURIS. PERCENT	ALLOCATOR	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
45	359	ARO Cost Elec Transmission	95.808%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
46	350-358	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
47		<u>Virginia Property</u>			
48	350	Land and Land Rights	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
49	352	Structures and Improvements	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
50	353	Station Equipment	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
51	354	Towers and Fixtures	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
52	355	Poles and Fixtures	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
53	356	OH Conductors and Devices	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
54	352-356	Allowance for Funds Used During Construction	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
47		<u>Electric Distribution</u>			
48		<u>Kentucky System Property</u>			
49	360	Land and Land Rights	99.878%	DIRECT	Kentucky Situs Plant Directly Assigned to Retail and Wholesale
50	361	Structures and Improvements	97.131%	DIRECT	Kentucky Situs Plant Directly Assigned to Retail and Wholesale
51	362	Station Equipment	97.947%	DIRECT	Kentucky Situs Plant Directly Assigned to Retail and Wholesale
52	364	Poles, Towers, and Fixtures	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
53	365	OH Conductors and Devices	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
54	366	Underground Conduit	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
55	367	UG Conductors and Devices	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
56	368	Line Transformers	99.828%	DPRODKY, DIRECT	Assigned
57	369	Services	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
58	370	Meters	99.526%	DIRECT	Kentucky Situs Plant Directly Assigned to Retail and Wholesale
59	371	Install on Customer Premise	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
60	373	Street Lighting / Signal Systems	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
61	374	ARO Cost Elec Distribution	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
62		<u>Virginia Property</u>			
63	360	Land and Land Rights	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
64	361	Structures and Improvements	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
65	362	Station Equipment	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
66	364	Poles, Towers, and Fixtures	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
67	365	OH Conductors and Devices	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
68	366	Underground Conduit	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
69	367	UG Conductors and Devices	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
70	368	Line Transformers	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
71	369	Services	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
72	370	Meters	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
73	371	Install on Customer Premise	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
74	373	Street Lighting / Signal Systems	0.000%	DIRECT	Virginia Situs Plant Directly Assigned
75		<u>Tennessee Property</u>			
76	360	Land and Land Rights	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
77	361	Structures and Improvements	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
78	362	Station Equipment	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
79	364	Poles, Towers, and Fixtures	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
80	365	OH Conductors and Devices	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
81	366	Underground Conduit	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
82	367	UG Conductors and Devices	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-7
PAGE 3 OF 8
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTIONS BY ACCOUNT OR MAJOR GROUPINGS	JURIS. PERCENT	ALLOCATOR	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
83	368	Line Transformers	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
84	369	Services	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
85	370	Meters	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
86	371	Install on Customer Premise	0.000%	DIRECT	Tennessee Situs Plant Directly Assigned
87		<u>Electric General Plant</u>			
88	389	Land and Land Rights	90.298%	LABOR	Allocated O&M Labor Expense
89	390	Structures and Improvements	90.298%	LABOR	Allocated O&M Labor Expense
90	391	Office Furniture and Equipment	90.298%	LABOR	Allocated O&M Labor Expense
91	392	Transportation Equipment	90.298%	LABOR	Allocated O&M Labor Expense
92	393	Stores Equipment	90.298%	LABOR	Allocated O&M Labor Expense
93	394	Tools, Shop, and Garage Equipment	90.298%	LABOR	Allocated O&M Labor Expense
94	395	Laboratory Equipment	90.298%	LABOR	Allocated O&M Labor Expense
95	396	Power Operated Equipment	90.298%	LABOR	Allocated O&M Labor Expense
96	397	Communication Equipment	91.519%	LABOR, DIRECT	Allocated O&M Labor Expense, DSM Plant Directly Assigned to Kentucky Retail
97	398	Miscellaneous Equipment	90.298%	LABOR	Allocated O&M Labor Expense
98		<u>AMORTIZATION</u>			
99	302	Franchises and Consents	100.000%	PLT302TOT	Plant Account 302
100	303	Misc Intangible Plant	88.794%	PLT303TOT	Plant Account 303
101	310-317	Electric Steam Production	87.714%	STMSYS	Total Steam Production Plant
102	330-337	Electric Hydro Production	87.714%	HYDSYS	Total Hydraulic Production Plant
103	340-347	Electric Other Production	87.714%	OTHSYS	Total Other Production Plant
104	350-359	Kentucky System Transmission Property	95.305%	KYTRPLT	Kentucky System Transmission Plant
105	350-356	Virginia Transmission Property	13.134%	TRPLTVA	Virginia System Transmission Plant
106	360-374	Kentucky Distribution System	99.704%	DISTPLTK	Total Kentucky Distribution Plant
107	360-371	Virginia and Tennessee Distribution System	0.000%	DIRACDEP	Total Virginia and Tennessee Distribution Plant
108	389-398	General Plant	90.670%	GENPLT	Total General Plant
109	ALL	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
110		<u>CONSTRUCTION WORK IN PROGRESS</u>			
111	310-347	Production Plant	87.714%	PRODSYS	Total Production System Plant
112	350-359	Kentucky System Transmission Property	95.703%	KYTRPLT	Kentucky System Transmission Plant
113	350-356	Virginia Transmission Property	0.000%	VATRPLT	Virginia Transmission Plant
114	360-374	Kentucky Distribution System	100.000%	PLANTKY	Total Kentucky Electric Plant
115	360-371	Virginia and Tennessee Distribution System	0.000%	DIRCWIP	Virginia and Tennessee Directly Assigned
116	389-398	General Plant	90.670%	GENPLT	Total General Plant
117	ALL	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
118		<u>WORKING CAPITAL</u>			
119	151	Fuel Inventory	87.998%	ENERGY	Energy at Generation Level
120	154	Material and Supplies	88.544%	FUNCTIONAL	Production, Transmission, and Distribution Functional Plant
121	158	Emission Allowances	87.714%	DEMPROD	System Demand - Average 12 Coincident Peaks
122	163	Stores Undistributed	88.544%	M&S	Total Material and Supplies
123	165	Prepayments	89.395%	EXP9245	Total Account 924 and 925 Expense
124		<u>CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAX</u>			
125	190, 282, 283	Production Plant	87.714%	PRODSYS	Total Production System Plant
126	190, 282, 283	Kentucky System Transmission Property	95.703%	KYTRPLT	Kentucky System Transmission Plant
127	190, 282, 283	Virginia Transmission Property	0.000%	VATRPLT	Virginia Transmission Plant

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-7
PAGE 4 OF 8
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTIONS BY ACCOUNT OR MAJOR GROUPINGS	JURIS. PERCENT	ALLOCATOR	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
128	190, 282, 283	Kentucky and Tennessee Distribution System	100.000%	PLANTKY	Total Kentucky Electric Plant
129	190, 282, 283	Virginia Distribution System	0.000%	DIRCWIP	Virginia Directly Assigned
130	190, 282, 283	General Plant	90.670%	GENPLT	Total General Plant
131	190, 282, 283	Allowance for Funds Used Duriing Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
132	252	Customer Advances for Construction	98.313%	CUSTADV	Directly Assigned
133	255	Deferred Investment Tax Credits	87.055%	PRODPLT	Total Production Plant
134	101, 108, 182, 230	Unamortized Closure Cost	87.714%	STMSYS	Total Steam Production Plant

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL STATISTICS - RATE BASE
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-7.1

PAGE 1 OF 2

WITNESS: C. M. GARRETT

LINE NO.	RATE BASE COMPONENT	STATISTIC TOTAL COMPANY	ADJUSTMENT TO TOTAL COMPANY STATISTIC	ADJUSTED STATISTIC FOR TOTAL COMPANY	STATISTIC FOR RATE AREA (SCHEDULE B-1)	ALLOCATION FACTOR %
(A)	(B)	(C)	(D)	(E=C+D)	(F)	(G=F/E)
1	Plant in Service	9,099,149,062	(1,553,315,608)	7,545,833,454	6,724,805,641	89.119%
2	Property Held for Future Use	747,511	-	747,511	385,394	51.557%
3	Accumulated Depreciation and Amortization	(3,083,629,255)	157,050,672	(2,926,578,583)	(2,588,341,554)	88.443%
4	Net Plant in Service (Lines 1+2+3)	6,016,267,318	(1,396,264,936)	4,620,002,382	4,136,849,481	89.542%
5	Construction Work in Progress	200,688,599	(81,210,071)	119,478,528	109,317,926	91.496%
6	Net Plant (Lines 4+5)	6,216,955,917	(1,477,475,007)	4,739,480,910	4,246,167,407	89.591%
7	Cash Working Capital Allowance	107,671,093	(3,083,374)	104,587,719	97,280,809	93.014%
8	Other Working Capital Allowances	168,643,120	(134,549)	168,508,571	149,394,947	88.657%
9	Customer Advances for Construction	(1,492,766)	-	(1,492,766)	(1,467,581)	98.313%
10	Deferred Income Taxes	(1,164,314,484)	271,170,599	(893,143,885)	(797,525,813)	89.294%
11	Investment Tax Credits	(95,466,340)	-	(95,466,340)	(83,107,975)	87.055%
12	Other Items	3,304,917	(3,304,917)	-	-	0.000%
13	Rate Base (Lines 6 through 12)	5,235,301,457	(1,212,827,248)	4,022,474,209	3,610,741,795	89.764%

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES - RATE BASE
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017
FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-7.2
PAGE 1 OF 1
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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THERE HAVE BEEN NO CHANGES IN JURISDICTIONAL PROCEDURES FROM PRIOR CASE.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPARATIVE BALANCE SHEETS - TOTAL COMPANY
AS OF DECEMBER 31, 2011 - 2015 AND BASE AND FORECASTED PERIODS

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL ____X_ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-8
PAGE 1 OF 4
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MO AVG FORECAST PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013	% CHANGE	2012	% CHANGE	2011
1	ASSETS													
2	UTILITY PLANT													
3	Utility Plant	\$ 9,527,059,121	4.69%	\$ 9,099,896,573	3.23%	\$ 8,814,981,934	13.19%	\$ 7,787,639,370	11.73%	\$ 6,969,992,612	3.39%	\$ 6,741,590,336	4.63%	\$ 6,443,488,241
4	Construction Work in Progress	310,684,175	54.81%	200,688,599	-24.84%	267,026,968	-69.66%	880,068,809	-22.71%	1,138,612,872	132.28%	490,181,659	44.29%	339,711,432
5	Total Utility Plant	\$ 9,837,743,295	5.78%	\$ 9,300,585,172	2.41%	\$ 9,082,008,901	4.78%	\$ 8,667,708,179	6.90%	\$ 8,108,605,484	12.12%	\$ 7,231,771,995	6.61%	\$ 6,783,199,672
6	Less: Accumulated Provision for Depreciation	3,301,600,481	7.07%	3,083,629,255	8.20%	2,849,851,989	1.82%	2,798,968,737	5.72%	2,647,410,913	5.07%	2,519,600,372	5.20%	2,395,037,773
7	Net Utility Plant	\$ 6,536,142,814	5.13%	\$ 6,216,955,917	-0.24%	\$ 6,232,156,912	6.19%	\$ 5,868,739,442	7.46%	\$ 5,461,194,571	15.90%	\$ 4,712,171,624	7.38%	\$ 4,388,161,900
8	OTHER PROPERTY AND INVESTMENTS													
9	Nonutility Property-Less Reserve	\$ 971,313	0.00%	\$ 971,313	0.00%	\$ 971,313	0.00%	\$ 971,313	-0.04%	\$ 971,720	0.00%	\$ 971,720	442.49%	\$ 179,121
10	Investment in Subsidiary Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	13,628,645
11	Other Investments	250,000	0.00%	250,000	0.00%	250,000	0.00%	250,000	0.00%	250,000	0.00%	250,000	0.00%	250,000
12	Special Funds	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Total Other Property and Investments	\$ 1,221,313	0.00%	\$ 1,221,313	0.00%	\$ 1,221,313	0.00%	\$ 1,221,313	-0.03%	\$ 1,221,720	0.00%	\$ 1,221,720	-91.31%	\$ 14,057,765
14	CURRENT AND ACCRUED ASSETS													
15	Cash	\$ 5,000,000	-30.39%	\$ 7,183,072	0.59%	\$ 7,140,988	1.89%	\$ 7,008,866	40.29%	\$ 4,995,915	-30.25%	\$ 7,162,535	-76.97%	\$ 31,096,140
16	Special Deposits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	45,500
17	Working Funds	61,030	0.00%	61,030	0.00%	61,030	0.00%	61,030	58.40%	38,530	0.00%	38,530	-1.28%	39,030
18	Temporary Cash Investments	(0)	100.00%	933,232	-78.06%	4,253,006	4.58%	4,066,766	-74.02%	15,653,517	14.49%	13,671,874	31204.03%	43,674
19	Customer Accounts Receivable	127,149,953	-7.34%	137,217,836	15.55%	118,748,901	-6.28%	126,706,511	2.92%	123,112,411	61.96%	76,011,996	6.50%	71,373,905
20	Other Accounts Receivable	3,766,533	10.40%	3,411,863	-56.76%	7,890,513	40.69%	5,608,374	-49.86%	11,185,718	-9.30%	12,332,418	-9.99%	13,700,580
21	Less: Accum Prov. for Uncollectable Accts-Credit	1,796,899	31.59%	1,365,500	-25.46%	1,832,010	-24.22%	2,417,633	-44.85%	4,388,968	91.53%	2,288,955	14.20%	2,004,312
22	Accounts Receivable from Associated Companies	4,333,388	11628.50%	36,948	-95.64%	847,986	-98.58%	59,765,613	91415.64%	65,306	-99.13%	7,502,801	18839.01%	39,616
23	Fuel	81,295,505	-19.82%	101,386,351	4.47%	97,051,051	-2.25%	99,282,056	27.60%	77,808,312	-11.59%	88,011,247	-9.03%	96,745,429
24	Plant Materials and Operating Supplies	44,048,859	-3.06%	45,440,682	10.34%	41,183,222	6.54%	38,655,516	6.18%	36,405,243	2.25%	35,604,100	4.60%	34,036,932
25	Allowances	136,560	1.49%	134,549	-4.14%	140,356	-11.65%	158,872	-45.87%	293,509	-9.52%	324,397	-27.99%	450,462
26	Stores Expense Undistributed	10,515,071	-4.47%	11,007,256	17.45%	9,371,630	-11.37%	10,574,016	3.53%	10,213,703	-1.79%	10,400,123	4.90%	9,914,010
27	Prepayments	19,426,926	4.48%	18,593,392	147.47%	7,513,312	-1.52%	7,629,374	29.01%	5,913,625	-22.92%	7,672,504	5.31%	7,285,320
28	Interest, Dividends and Rents Receivable	345,837	-50.09%	692,974	-13.96%	805,401	-38.27%	1,304,680	38.62%	941,160	86.55%	504,508	2277.64%	21,219
29	Accrued Utility Revenues	105,830,480	27.55%	82,969,987	3.60%	80,083,721	-12.06%	91,068,107	-3.57%	94,441,382	12.50%	83,946,327	3.41%	81,180,950
30	Miscellaneous Current Assets	-	0.00%	27,208	100.00%	-	0.00%	-	0.00%	-	-100.00%	7,142,276	100.00%	-
31	Total Current and Accrued Assets	\$ 400,113,243	-1.87%	\$ 407,730,880	9.24%	\$ 373,259,106	-16.96%	\$ 449,472,147	19.32%	\$ 376,684,363	8.23%	\$ 348,036,681	1.18%	\$ 343,968,457
32	DEFERRED DEBITS													
33	Unamortized Debt Expense	\$ 17,630,904	-8.47%	\$ 19,263,468	-7.94%	\$ 20,924,669	12.41%	\$ 18,614,827	-6.35%	\$ 19,877,251	2.13%	\$ 19,463,065	-9.90%	\$ 21,600,913
34	Other Regulatory Assets	519,033,463	16.08%	447,116,239	17.93%	379,151,145	15.08%	329,468,702	38.68%	237,578,508	-16.91%	285,920,284	6.36%	268,828,296
35	Preliminary Survey and Inventory	5,699,778	-13.01%	6,552,498	-3.09%	6,761,703	18.14%	5,723,428	141.40%	2,370,925	-54.83%	5,249,306	29.57%	4,051,457
36	Clearing Accounts	85,112	0.00%	205,545	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Miscellaneous Deferred Debits	48,140,486	-1.39%	48,818,738	19.04%	41,010,309	5.26%	38,961,966	-0.01%	38,965,723	-0.14%	39,021,595	-5.15%	41,140,563
38	Unamortized Loss on Re-Acquired Debt	8,686,993	-6.91%	9,332,166	4.77%	8,907,228	-7.13%	9,590,735	-0.49%	9,638,316	-13.74%	11,174,052	-5.10%	11,775,117
39	Accumulated Deferred Income Taxes	351,912,941	7.94%	326,031,864	-8.94%	358,038,656	61.50%	221,690,914	6.43%	208,306,280	28.33%	162,326,629	87.13%	86,746,693
40	Total Deferred Debits	\$ 951,189,677	10.95%	\$ 857,320,518	5.22%	\$ 814,793,709	30.57%	\$ 624,050,571	20.77%	\$ 516,737,002	-1.23%	\$ 523,154,931	20.50%	\$ 434,143,039
41	Total Assets	\$ 7,888,667,047	5.42%	\$ 7,483,228,628	0.83%	\$ 7,421,431,040	6.88%	\$ 6,943,483,474	9.25%	\$ 6,355,837,657	13.81%	\$ 5,584,584,956	7.80%	\$ 5,180,331,161

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPARATIVE BALANCE SHEETS - TOTAL COMPANY
AS OF DECEMBER 31, 2011 - 2015 AND BASE AND FORECASTED PERIODS

DATA: __X__ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-8
PAGE 2 OF 4
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MO AVG FORECAST PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013	% CHANGE	2012	% CHANGE	2011
1	LIABILITIES & PROPRIETARY CAPITAL													
2	PROPRIETARY CAPITAL													
3	Common Stock Issued	\$ 308,139,978	0.00%	\$ 308,139,978	0.00%	\$ 308,139,978	0.00%	\$ 308,139,978	0.00%	\$ 308,139,978	0.00%	\$ 308,139,978	0.00%	\$ 308,139,978
4	Paid in Capital	574,787,293	-1.55%	583,858,083	3.55%	563,858,083	0.00%	563,858,083	19.24%	472,858,083	49.71%	315,858,083	0.00%	315,858,083
5	(Less) Capital Stock Expense	321,289	0.00%	321,289	0.00%	321,289	0.00%	321,289	0.00%	321,289	0.00%	321,289	0.00%	321,289
6	Other Comprehensive Income	(1,795,298)	-0.99%	(1,813,204)	11.43%	(1,627,215)	32.02%	(1,232,509)	34.40%	(917,020)	121.50%	(414,003)	-83.16%	(2,457,900)
7	Retained Earnings	1,907,762,050	5.78%	1,803,526,071	-0.32%	1,809,303,187	4.65%	1,728,986,179	4.31%	1,657,535,909	7.31%	1,544,620,113	3.62%	1,490,663,791
8	Unappropriated Undistributed Subsidiary Earnings	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	8,900,202	-45.58%	16,355,595
9	Total Proprietary Capital	\$ 2,788,572,734	3.53%	\$ 2,693,389,639	0.52%	\$ 2,679,352,744	3.07%	\$ 2,599,430,441	6.65%	\$ 2,437,295,661	11.97%	\$ 2,176,783,084	2.28%	\$ 2,128,238,257
10	LONG-TERM DEBT													
11	Bonds	\$ 2,350,779,405	0.00%	\$ 2,350,779,405	0.00%	\$ 2,350,779,405	11.90%	\$ 2,100,779,405	0.00%	\$ 2,100,779,405	13.51%	\$ 1,850,779,405	0.00%	\$ 1,850,779,405
12	Long-Term Debt to Associated Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Unamortized Discount on Long-Term Debt	(8,570,756)	-5.00%	(9,021,613)	-6.50%	(9,648,803)	-3.62%	(10,011,254)	-6.52%	(10,709,837)	12.11%	(9,552,594)	-6.24%	(10,187,844)
14	Total Long-Term Debt	\$ 2,342,208,649	0.02%	\$ 2,341,757,792	0.03%	\$ 2,341,130,602	11.97%	\$ 2,090,768,151	0.03%	\$ 2,090,069,568	13.52%	\$ 1,841,226,811	0.03%	\$ 1,840,591,561
15	OTHER NON-CURRENT LIABILITIES													
16	Accumulated Provision for Injuries and Damages	\$ 2,343,040	20.54%	\$ 1,943,787	-17.04%	\$ 2,343,040	14.30%	\$ 2,049,992	-6.15%	\$ 2,184,308	-6.26%	\$ 2,330,079	-13.55%	\$ 2,695,348
17	Accumulated Provision for Pensions and Benefits	100,363,018	13.19%	88,664,982	-5.38%	93,702,289	-20.33%	117,607,470	95.47%	60,166,262	-63.53%	164,960,206	8.88%	151,503,931
18	Total Other Non-Current Liabilities	\$ 102,706,057	13.35%	\$ 90,608,769	-5.66%	\$ 96,045,329	-19.73%	\$ 119,657,462	91.91%	\$ 62,350,570	-62.73%	\$ 167,290,285	8.49%	\$ 154,199,279
19	CURRENT AND ACCRUED LIABILITIES													
20	Notes Payable	\$ 129,187,211	100.00%	\$ 17,998,694	-62.50%	\$ 47,997,120	-79.63%	\$ 235,592,322	57.10%	\$ 149,967,366	114.27%	\$ 69,991,513	100.00%	\$ -
21	Accounts Payable	77,531,048	-1.50%	78,709,354	-27.36%	108,362,454	-29.19%	153,042,158	-11.36%	172,652,307	11.00%	155,544,176	29.99%	119,658,899
22	Notes Payable to Associated Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
23	Accounts Payable to Associated Companies	48,268,450	6.76%	45,212,625	15.40%	39,179,663	-15.91%	46,590,075	83.81%	25,347,065	-23.80%	33,264,763	0.26%	33,178,775
24	Customer Deposits	28,000,984	-4.21%	29,230,443	11.36%	26,249,503	-3.69%	27,255,893	6.24%	25,654,975	3.40%	24,810,221	8.52%	22,862,412
25	Taxes Accrued	25,935,889	-44.26%	46,533,738	127.80%	20,427,557	46.18%	13,974,039	-57.02%	32,514,050	24.09%	26,203,000	144.20%	10,729,938
26	Interest Accrued	23,187,440	-24.52%	30,721,690	94.92%	15,760,841	35.59%	11,624,315	0.87%	11,524,331	13.86%	10,121,873	-4.69%	10,619,839
27	Tax Collections Payable	5,209,779	28.06%	4,068,374	1.98%	3,989,312	-23.63%	5,223,518	13.70%	4,594,183	20.85%	3,801,493	-0.10%	3,805,278
28	Miscellaneous Current and Accrued Liabilities	28,422,230	-66.88%	85,804,448	349.05%	19,107,816	-64.21%	53,393,554	217.22%	16,831,456	-4.79%	17,677,735	15.00%	15,371,963
29	Total Current and Accrued Liabilities	\$ 365,743,032	8.12%	\$ 338,279,365	20.35%	\$ 281,074,268	-48.59%	\$ 546,695,875	24.51%	\$ 439,085,732	28.61%	\$ 341,414,735	57.90%	\$ 216,227,104
30	DEFERRED CREDITS													
31	Customer Advances for Construction	\$ 1,576,406	5.60%	\$ 1,492,766	-24.17%	\$ 1,968,685	-11.26%	\$ 2,218,445	-23.03%	\$ 2,882,357	-3.45%	\$ 2,985,264	-5.41%	\$ 3,155,939
32	Accumulated Deferred Investment Tax Credits	93,303,580	-2.27%	95,466,340	2.63%	93,018,938	-1.95%	94,865,140	-1.93%	96,736,400	-1.90%	98,607,658	-2.76%	101,407,768
33	Other Deferred Credits	6,310,542	146.34%	2,561,693	-70.49%	8,679,929	-77.45%	38,495,004	11.38%	34,563,218	41.06%	24,502,327	252.77%	6,945,601
34	Other Regulatory Liabilities	142,182,266	0.73%	141,147,264	-7.98%	153,390,896	12.71%	136,098,871	-9.53%	150,443,179	29.14%	116,493,151	7.55%	108,313,656
35	Asset Retirement Obligation	367,386,595	27.13%	288,975,985	-20.20%	362,143,424	71.66%	210,966,864	17.95%	178,860,881	157.09%	69,570,067	12.59%	61,789,582
36	Miscellaneous Long-Term Liabilities	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Accumulated Deferred Income Taxes	1,678,677,187	12.70%	1,489,549,017	6.05%	1,404,626,225	27.20%	1,104,287,221	27.88%	863,550,092	15.80%	745,711,533	33.29%	559,462,412
38	Total Deferred Credits	\$ 2,289,436,576	13.38%	\$ 2,019,193,064	-0.23%	\$ 2,023,828,098	27.53%	\$ 1,586,931,544	19.58%	\$ 1,327,036,126	25.44%	\$ 1,057,870,000	25.78%	\$ 841,074,959
39	Total Liabilities and Stockholders Equity	\$ 7,888,667,047	5.42%	\$ 7,483,228,628	0.83%	\$ 7,421,431,040	6.88%	\$ 6,943,483,474	9.25%	\$ 6,355,837,657	13.81%	\$ 5,584,584,956	7.80%	\$ 5,180,331,161

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPARATIVE BALANCE SHEETS - JURISDICTIONAL
AS OF DECEMBER 31, 2011 - 2015 AND BASE AND FORECASTED PERIODS

DATA: __X__ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-8
PAGE 3 OF 4
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MO AVG FORECAST PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013	% CHANGE	2012	% CHANGE	2011
1	ASSETS													
2	UTILITY PLANT													
3	Utility Plant	\$ 8,463,527,047	4.74%	\$ 8,080,154,376	3.46%	\$ 7,809,708,173	13.07%	\$ 6,907,252,256	13.06%	\$ 6,109,393,920	3.76%	\$ 5,888,197,066	4.88%	\$ 5,614,477,615
4	Construction Work in Progress	279,608,229	54.96%	180,443,715	-24.65%	239,479,528	-69.05%	773,835,127	-22.11%	993,501,971	133.39%	425,678,587	43.48%	296,680,367
5	Total Utility Plant	\$ 8,743,135,276	5.84%	\$ 8,260,598,091	2.63%	\$ 8,049,187,701	4.79%	\$ 7,681,087,383	8.14%	\$ 7,102,895,891	12.50%	\$ 6,313,875,653	6.81%	\$ 5,911,157,982
6	Less: Accumulated Provision for Depreciation	2,912,060,195	6.89%	2,724,374,651	8.31%	2,515,389,531	1.80%	2,470,919,404	7.23%	2,304,221,652	5.50%	2,184,105,855	4.96%	2,080,817,095
7	Net Utility Plant	\$ 5,831,075,081	5.33%	\$ 5,536,223,440	0.04%	\$ 5,533,798,170	6.21%	\$ 5,210,167,979	8.58%	\$ 4,798,674,239	16.20%	\$ 4,129,769,797	7.82%	\$ 3,830,340,887
8	OTHER PROPERTY AND INVESTMENTS													
9	Nonutility Property-Less Reserve	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
10	Investment in Subsidiary Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
11	Other Investments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12	Special Funds	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Total Other Property and Investments	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
14	CURRENT AND ACCRUED ASSETS													
15	Cash	\$ 4,464,000	-30.35%	\$ 6,409,556	0.90%	\$ 6,352,622	1.95%	\$ 6,230,817	41.76%	\$ 4,395,326	-30.08%	\$ 6,286,161	-76.88%	\$ 27,191,099
16	Special Deposits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	39,786
17	Working Funds	54,488	0.06%	54,458	0.31%	54,292	0.07%	54,255	60.05%	33,898	0.24%	33,816	-0.92%	34,129
18	Temporary Cash Investments	-	-100.00%	832,736	-77.99%	3,783,474	4.65%	3,615,317	-73.75%	13,771,713	14.77%	11,999,049	31319.35%	38,190
19	Customer Accounts Receivable	109,866,139	-0.37%	110,274,077	6.45%	103,591,006	-14.76%	121,522,714	14.42%	106,205,466	77.76%	59,746,879	2.91%	58,059,485
20	Other Accounts Receivable	3,362,761	10.46%	3,044,453	-56.63%	7,019,400	40.79%	4,985,792	-49.34%	9,841,015	-9.08%	10,823,482	-9.65%	11,980,067
21	Less: Accum Prov. for Uncollectable Accts-Credit	1,604,271	31.66%	1,218,454	-25.24%	1,629,756	-24.17%	2,149,253	-44.28%	3,856,945	91.99%	2,008,889	14.62%	1,752,611
22	Accounts Receivable from Associated Companies	3,916,129	11637.94%	33,363	-95.64%	764,513	-98.58%	53,913,347	92231.60%	58,391	-99.13%	6,692,972	18897.39%	35,231
23	Fuel	71,489,839	-19.87%	89,217,574	4.49%	85,381,311	-2.19%	87,293,860	28.06%	68,167,723	-11.28%	76,831,432	-8.48%	83,949,393
24	Plant Materials and Operating Supplies	39,006,996	-3.05%	40,234,886	10.69%	36,347,735	6.53%	34,118,673	7.71%	31,676,565	2.45%	30,917,960	4.65%	29,543,376
25	Allowances	119,596	1.34%	118,019	-4.04%	122,986	-11.65%	139,208	-45.64%	256,081	-9.13%	281,803	-27.82%	390,412
26	Stores Expense Undistributed	9,311,509	-4.46%	9,746,237	17.75%	8,276,938	-11.37%	9,338,521	5.08%	8,887,045	-1.60%	9,031,280	4.95%	8,605,163
27	Prepayments	16,171,254	-7.32%	17,447,869	160.05%	6,709,306	-3.47%	6,950,608	33.26%	5,215,668	-22.77%	6,753,680	5.47%	6,403,337
28	Interest, Dividends and Rents Receivable	308,763	-50.07%	618,350	-13.70%	716,484	-38.23%	1,159,848	40.08%	828,017	87.01%	442,778	2286.43%	18,554
29	Accrued Utility Revenues	91,060,697	29.61%	70,260,000	2.74%	68,383,000	-11.28%	77,080,000	-2.54%	79,091,763	12.28%	70,441,996	3.58%	68,005,443
30	Miscellaneous Current Assets	-	-100.00%	24,278	100.00%	-	0.00%	-	0.00%	-	-100.00%	6,268,381	100.00%	-
31	Total Current and Accrued Assets	\$ 347,527,900	0.12%	\$ 347,097,402	6.51%	\$ 325,873,311	-19.39%	\$ 404,253,707	24.55%	\$ 324,571,726	10.20%	\$ 294,542,780	0.68%	\$ 292,541,054
32	DEFERRED DEBITS													
33	Unamortized Debt Expense	\$ 15,740,871	-8.43%	\$ 17,189,063	-7.66%	\$ 18,614,583	12.49%	\$ 16,548,407	-5.37%	\$ 17,487,686	2.38%	\$ 17,081,657	-9.56%	\$ 18,888,278
34	Other Regulatory Assets	450,489,434	14.80%	392,999,206	16.98%	335,436,359	13.54%	295,427,181	39.63%	211,572,234	-13.33%	244,102,090	6.27%	229,695,839
35	Preliminary Survey and Inventory	5,088,762	-12.97%	5,846,886	-2.80%	6,015,210	18.22%	5,088,074	143.93%	2,085,901	-54.72%	4,607,026	30.04%	3,542,676
36	Clearing Accounts	76,917	-58.56%	185,603	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Miscellaneous Deferred Debits	42,169,534	-1.62%	42,863,675	19.26%	35,940,789	5.26%	34,143,431	0.42%	34,001,188	0.29%	33,902,038	-4.94%	35,662,141
38	Unamortized Loss on Re-Acquired Debt	7,755,748	-6.86%	8,327,223	5.09%	7,923,869	-7.06%	8,526,074	0.55%	8,479,635	-13.53%	9,806,848	-4.75%	10,296,402
39	Accumulated Deferred Income Taxes	314,409,731	8.24%	290,462,549	-8.69%	318,105,572	60.89%	197,715,483	7.96%	183,131,021	28.33%	142,708,330	88.20%	75,828,828
40	Total Deferred Debits	\$ 835,730,997	10.36%	\$ 757,274,205	4.88%	\$ 722,036,382	29.53%	\$ 557,448,650	22.04%	\$ 456,757,665	1.01%	\$ 452,207,989	20.94%	\$ 373,914,165
41	Total Assets	\$ 7,014,333,978	5.63%	\$ 6,640,595,047	0.89%	\$ 6,581,707,863	6.64%	\$ 6,171,870,336	10.61%	\$ 5,580,003,629	14.43%	\$ 4,876,520,565	8.44%	\$ 4,496,796,106

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPARATIVE BALANCE SHEETS - JURISDICTIONAL
AS OF DECEMBER 31, 2011 - 2015 AND BASE AND FORECASTED PERIODS

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL _X_ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-8
PAGE 4 OF 4
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MO AVG FORECAST PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013	% CHANGE	2012	% CHANGE	2011
1	LIABILITIES & PROPRIETARY CAPITAL													
2	PROPRIETARY CAPITAL													
3	Common Stock Issued	\$ 275,107,372	0.05%	\$ 274,957,620	0.31%	\$ 274,121,285	0.07%	\$ 273,933,567	1.05%	\$ 271,096,600	0.24%	\$ 270,437,441	0.37%	\$ 269,443,873
4	Paid in Capital	513,170,095	-1.50%	520,984,748	3.86%	501,608,079	0.07%	501,264,579	20.49%	416,012,943	50.07%	277,211,196	0.37%	276,192,742
5	(Less) Capital Stock Expense	286,847	0.05%	286,691	0.31%	285,819	0.07%	285,623	1.05%	282,665	0.24%	281,977	0.37%	280,942
6	Other Comprehensive Income	(1,602,842)	-0.93%	(1,617,947)	11.77%	(1,447,571)	32.12%	(1,095,689)	35.81%	(806,780)	100.00%	-	0.00%	-
7	Retained Earnings	1,703,249,958	5.84%	1,609,311,583	-0.02%	1,609,555,887	4.72%	1,537,052,594	5.40%	1,458,273,456	7.57%	1,355,627,771	4.00%	1,303,466,782
8	Unappropriated Undistributed Subsidiary Earnings	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
9	Total Proprietary Capital	\$ 2,489,637,736	3.59%	\$ 2,403,349,313	0.83%	\$ 2,383,551,861	3.15%	\$ 2,310,869,428	7.77%	\$ 2,144,293,554	12.68%	\$ 1,902,994,431	2.93%	\$ 1,848,822,455
10	LONG-TERM DEBT													
11	Bonds	\$ 2,098,775,853	0.05%	\$ 2,097,633,401	0.31%	\$ 2,091,253,062	11.98%	\$ 1,867,573,305	1.05%	\$ 1,848,231,961	13.78%	\$ 1,624,326,873	0.37%	\$ 1,618,359,210
12	Long-Term Debt to Associated Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Unamortized Discount on Long-Term Debt	(7,651,971)	-4.95%	(8,050,112)	-6.21%	(8,583,574)	-3.55%	(8,899,911)	-5.54%	(9,422,342)	12.39%	(8,383,784)	-5.89%	(8,908,458)
14	Total Long-Term Debt	\$ 2,091,123,882	0.07%	\$ 2,089,583,289	0.33%	\$ 2,082,669,488	12.05%	\$ 1,858,673,394	1.08%	\$ 1,838,809,619	13.79%	\$ 1,615,943,089	0.40%	\$ 1,609,450,752
15	OTHER NON-CURRENT LIABILITIES													
16	Accumulated Provision for Injuries and Damages	\$ 2,117,430	20.64%	\$ 1,755,199	-16.91%	\$ 2,112,397	14.23%	\$ 1,849,256	-5.31%	\$ 1,953,010	-6.04%	\$ 2,078,578	-13.29%	\$ 2,397,044
17	Accumulated Provision for Pensions and Benefits	90,699,123	13.29%	80,062,626	-5.23%	84,478,470	-20.37%	106,091,313	97.21%	53,795,213	-63.44%	147,154,916	9.22%	134,736,439
18	Total Other Non-Current Liabilities	\$ 92,816,553	13.44%	\$ 81,817,825	-5.51%	\$ 86,590,867	-19.78%	\$ 107,940,569	93.62%	\$ 55,748,223	-62.64%	\$ 149,233,494	8.82%	\$ 137,133,483
19	CURRENT AND ACCRUED LIABILITIES													
20	Notes Payable	\$ 115,338,342	618.15%	\$ 16,060,487	-62.39%	\$ 42,698,232	-79.61%	\$ 209,439,378	58.74%	\$ 131,938,878	114.79%	\$ 61,427,685	100.00%	\$ -
21	Accounts Payable	70,065,631	-1.42%	71,072,902	-27.25%	97,695,525	-29.23%	138,056,227	-10.57%	154,370,031	11.25%	138,755,223	30.39%	106,415,812
22	Notes Payable to Associated Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
23	Accounts Payable to Associated Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
24	Customer Deposits	26,622,984	-3.00%	27,446,851	10.19%	24,908,053	-3.91%	25,921,052	4.73%	24,750,051	3.35%	23,947,834	7.20%	22,340,247
25	Taxes Accrued	23,155,562	-44.23%	41,522,706	128.49%	18,172,353	46.28%	12,422,790	-56.57%	28,605,338	24.39%	22,996,926	145.11%	9,382,476
26	Interest Accrued	20,701,746	-24.48%	27,413,394	95.52%	14,020,842	35.68%	10,333,908	1.92%	10,138,921	14.13%	8,883,409	-4.34%	9,286,204
27	Tax Collections Payable	4,544,678	29.23%	3,516,805	2.14%	3,443,074	-24.03%	4,532,001	11.63%	4,059,933	26.19%	3,217,416	0.23%	3,210,022
28	Miscellaneous Current and Accrued Liabilities	26,456,974	-65.72%	77,175,244	335.17%	17,734,450	-63.18%	48,164,634	209.16%	15,579,147	-4.68%	16,343,950	14.71%	14,247,467
29	Total Current and Accrued Liabilities	\$ 286,885,917	8.58%	\$ 264,208,388	20.82%	\$ 218,672,529	-51.28%	\$ 448,869,990	21.50%	\$ 369,442,298	34.06%	\$ 275,572,443	67.13%	\$ 164,882,229
30	DEFERRED CREDITS													
31	Customer Advances for Construction	\$ 1,549,704	5.60%	\$ 1,467,581	-27.01%	\$ 2,010,715	-8.15%	\$ 2,189,028	-24.05%	\$ 2,882,357	-3.45%	\$ 2,985,264	-0.43%	\$ 2,998,149
32	Accumulated Deferred Investment Tax Credits	81,185,411	-2.31%	83,107,975	2.74%	80,894,843	-1.90%	82,459,256	-0.94%	83,238,778	-1.90%	84,848,940	-2.48%	87,006,521
33	Other Deferred Credits	5,632,339	147.47%	2,276,004	-70.11%	7,615,538	-77.43%	33,738,882	11.88%	30,156,091	41.58%	21,299,609	252.77%	6,037,840
34	Other Regulatory Liabilities	126,261,622	0.33%	125,844,436	-8.05%	136,859,083	14.93%	119,078,902	-10.18%	132,568,066	31.14%	101,087,786	7.29%	94,220,138
35	Asset Retirement Obligation	321,748,825	26.94%	253,472,996	-20.12%	317,326,124	71.66%	184,855,402	18.46%	156,052,187	158.21%	60,435,357	12.85%	53,552,579
36	Miscellaneous Long-Term Liabilities	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Accumulated Deferred Income Taxes	1,499,781,286	13.02%	1,327,042,698	6.34%	1,247,964,211	26.71%	984,860,756	29.73%	759,184,072	15.80%	655,587,120	34.05%	489,048,948
38	Total Deferred Credits	\$ 2,036,159,187	13.55%	\$ 1,793,211,690	0.03%	\$ 1,792,670,514	27.39%	\$ 1,407,182,226	20.88%	\$ 1,164,081,551	25.68%	\$ 926,244,076	26.39%	\$ 732,864,175
39	Total Liabilities and Stockholders Equity	\$ 6,996,623,275	5.50%	\$ 6,632,170,505	1.04%	\$ 6,564,155,260	7.02%	\$ 6,133,535,607	10.07%	\$ 5,572,375,245	14.42%	\$ 4,869,987,533	8.39%	\$ 4,493,153,094
40	Adjustment to Balance	\$ 17,710,703		\$ 8,424,542		\$ 17,552,603		\$ 38,334,728		\$ 7,628,384		\$ 6,533,032		\$ 3,643,012

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(c)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A jurisdictional operating income summary for both the base period and the forecasted period with supporting schedules, which provide breakdowns by major account group and by individual account.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE C

JURISDICTIONAL OPERATING INCOME SUMMARY FOR THE BASE AND FORECASTED PERIOD

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD : FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECASTED PERIOD : FOR THE 12 MONTHS ENDED JUNE 30, 2018

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
C-1	JURISDICTIONAL OPERATING INCOME SUMMARY
C-2	JURISDICTIONAL ADJUSTED OPERATING INCOME STATEMENT
C-2.1	JURISDICTIONAL OPERATING REVENUES AND EXPENSES BY ACCOUNTS
C-2.2	COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL OPERATING INCOME SUMMARY
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017
FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE C-1
PAGE 1 OF 1
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	BASE PERIOD RETURN AT CURRENT RATES	FORECASTED ADJUSTMENTS AT CURRENT RATES	FORECASTED RETURN AT CURRENT RATES	PROPOSED INCREASE	FORECASTED RETURN AT PROPOSED RATES
		(1)	(2)	(3)	(4)	(5)
		\$	\$	\$	\$	\$
1	<u>OPERATING REVENUES</u>					
2	ELECTRIC SALES REVENUES	1,411,688,600	42,192,349	1,453,880,950	103,097,542	1,556,978,491
3	OTHER OPERATING REVENUES	28,025,475	3,421,017	31,446,492		31,446,492
4	TOTAL OPERATING REVENUES	<u>1,439,714,075</u>	<u>45,613,366</u>	<u>1,485,327,441</u>	<u>103,097,542</u>	<u>1,588,424,983</u>
5	<u>OPERATING EXPENSES</u>					
6	OPERATION AND MAINTENANCE EXPENSE	871,667,687	61,268,436	932,936,123	362,903	933,299,026
7	DEPRECIATION AND AMORTIZATION	185,575,950	42,486,887	228,062,837		228,062,837
8	REGULATORY DEBITS	-	-	-		-
9	TAXES OTHER THAN INCOME TAXES	34,565,582	3,255,293	37,820,875	200,112	38,020,987
10	TOTAL INCOME TAXES	103,936,990	(19,933,740)	84,003,249	39,745,331	123,748,581
11	INVESTMENT TAX CREDIT	4,091,851	(4,091,851)	-		-
12	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	-	-	-		-
13	TOTAL OPERATING EXPENSES	<u>1,199,838,060</u>	<u>82,985,024</u>	<u>1,282,823,084</u>	<u>40,308,347</u>	<u>1,323,131,431</u>
14	NET OPERATING INCOME	<u>239,876,015</u>	<u>(37,371,658)</u>	<u>202,504,357</u>	<u>62,789,195</u>	<u>265,293,552</u>
15	CAPITALIZATION ALLOCATED TO KENTUCKY JURISDICTION	<u>3,556,881,223</u>	<u>81,919,506</u>	<u>3,638,800,730</u>		<u>3,638,800,730</u>
16	RATE OF RETURN ON CAPITALIZATION	<u>6.74%</u>		<u>5.57%</u>		<u>7.29%</u>
17	KENTUCKY JURISDICTION RATE BASE	<u>3,610,741,795</u>	<u>36,532,457</u>	<u>3,647,274,251</u>		<u>3,647,274,251</u>
18	RATE OF RETURN ON RATE BASE	<u>6.64%</u>		<u>5.55%</u>		<u>7.27%</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTED OPERATING INCOME STATEMENT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017
FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE C-2

PAGE 1 OF 1

WITNESS: C. M. GARRETT

LINE NO.	MAJOR ACCOUNT OR GROUP CLASSIFICATION	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD	FORECASTED PERIOD JURISDICTIONAL	JURISDICTIONAL PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD	PRO FORMA FORECASTED PERIOD JURISDICTIONAL
		(1)	(2)	(3)	(4)	(5)
		\$	\$	\$	\$	\$
1	OPERATING REVENUES					
2	ELECTRIC SALES REVENUES	1,411,688,600	43,455,413	1,455,144,014	(1,263,064)	1,453,880,950
3	OTHER OPERATING REVENUES	28,025,475	3,421,017	31,446,492	-	31,446,492
4	TOTAL OPERATING REVENUES	1,439,714,075	46,876,430	1,486,590,505	(1,263,064)	1,485,327,441
5	OPERATING EXPENSES					
6	<u>OPERATION AND MAINTENANCE EXPENSES:</u>					
7	PRODUCTION EXPENSE	659,558,167	27,738,710	687,296,877	-	687,296,877
8	TRANSMISSION EXPENSE	27,187,799	8,518,211	35,706,011	-	35,706,011
9	DISTRIBUTION EXPENSE	52,957,759	5,140,590	58,098,349	-	58,098,349
10	CUSTOMER ACCOUNTS EXPENSE	29,248,235	5,418,428	34,666,664	-	34,666,664
11	CUSTOMER SERVICE AND INFORMATIONAL EXPENSE	3,213,955	138,393	3,352,348	-	3,352,348
12	SALES EXPENSE	782,367	11,851	794,217	(794,217)	-
13	ADMINISTRATIVE AND GENERAL EXPENSE	98,719,404	15,140,369	113,859,773	(43,898)	113,815,874
14	TOTAL OPERATION AND MAINTENANCE EXPENSES	871,667,687	62,106,551	933,774,239	(838,116)	932,936,123
15	DEPRECIATION AND AMORTIZATION	185,575,950	42,486,887	228,062,837	-	228,062,837
16	REGULATORY DEBITS	-	-	-	-	-
17	TAXES OTHER THAN INCOME TAXES	34,565,582	3,255,293	37,820,875	-	37,820,875
18	FEDERAL INCOME TAXES	88,329,271	(15,536,716)	72,792,555	(140,166)	72,652,389
19	STATE INCOME TAXES	15,607,719	(4,232,385)	11,375,334	(24,474)	11,350,860
20	INVESTMENT TAX CREDIT	4,091,851	(4,091,851)	-	-	-
21	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	-	-	-	-	-
22	TOTAL OPERATING EXPENSES	1,199,838,060	83,987,780	1,283,825,840	(1,002,756)	1,282,823,084
23	NET OPERATING INCOME	239,876,015	(37,111,349)	202,764,666	(260,308)	202,504,357

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE C-2.1
PAGE 1 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTION	JURISDICTIONAL ADJUSTMENTS SCH D-2	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL METHOD / DESCRIPTION
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
1		<u>OPERATING REVENUES</u>						
2		<u>SALES OF ELECTRICITY:</u>						
3	440	RESIDENTIAL	611,844,649	94.222%	576,490,160	(46,505,726)	529,984,434	DIRECT ASSIGN
4	442.2	COMMERCIAL	390,694,257	95.402%	372,730,864	(27,086,358)	345,644,506	DIRECT ASSIGN
5	442.3	INDUSTRIAL	413,285,903	97.792%	404,159,218	(7,717,045)	396,442,173	DIRECT ASSIGN
6	444	PUBLIC STREET AND HIGHWAY LIGHTING	12,581,170	96.735%	12,170,385	(924,355)	11,246,030	DIRECT ASSIGN
7	445	OTHER SALES TO PUBLIC AUTHORITIES	131,125,105	94.924%	124,468,792	(6,539,237)	117,929,555	DIRECT ASSIGN
8		TOTAL SALES TO ULTIMATE CONSUMERS	1,559,531,084		1,490,019,419	(88,772,721)	1,401,246,699	
9	447	SALES FOR RESALE	134,225,375	12.621%	16,941,169	(6,499,268)	10,441,901	DIRECT ASSIGN & ENERGY
10	449.1	PROVISION FOR RATE REFUNDS	-	0.000%	-	-	-	DIRECT ASSIGN
11		TOTAL SALES OF ELECTRICITY	1,693,756,459		1,506,960,589	(95,271,989)	1,411,688,600	
12		<u>OTHER OPERATING REVENUES:</u>						
13	450	LATE PAYMENT CHARGES	4,018,397	96.245%	3,867,519	-	3,867,519	DIRECT ASSIGN
14	451	ELECTRIC SERVICE REVENUES	2,189,044	94.430%	2,067,117	-	2,067,117	DIRECT ASSIGN
15	454	RENT FROM ELECTRIC PROPERTY	3,398,379	90.113%	3,062,378	-	3,062,378	DIRECT ASSIGN
16	456	OTHER MISCELLANEOUS REVENUE	19,988,241	95.198%	19,028,461	-	19,028,461	DIRECT ASSIGN & DEMAND
17		TOTAL OTHER OPERATING REVENUES	29,594,061		28,025,475	-	28,025,475	
18		TOTAL OPERATING REVENUES	1,723,350,520		1,534,986,064	(95,271,989)	1,439,714,075	
19		<u>OPERATING EXPENSES</u>						
20		<u>OPERATION AND MAINTENANCE EXPENSES:</u>						
21		<u>STEAM GENERATION:</u>						
22	500	STEAM OPERATION SUPERVISION AND ENGINEERING	9,159,483	88.449%	8,101,455	-	8,101,455	TOTAL STEAM PLANT
23	501	FUEL	365,096,176	88.000%	321,284,582	77,172,692	398,457,275	ENERGY
24	502	STEAM EXPENSES	21,333,721	87.073%	18,575,894	(3,765,772)	14,810,122	TOTAL STEAM PLANT
25	504	STEAM TRANSFERRED-CREDIT	-	87.073%	-	-	-	TOTAL STEAM PLANT

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE C-2.1
PAGE 2 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTION	JURISDICTIONAL ADJUSTMENTS SCH D-2	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL METHOD / DESCRIPTION
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
26	505	ELECTRIC EXPENSES	7,960,310	87.126%	6,935,518	-	6,935,518	TOTAL STEAM PLANT
27	506	MISC STEAM POWER EXPENSES	31,981,391	87.055%	27,841,527	(14,117,922)	13,723,605	TOTAL STEAM PLANT
28	507	RENTS	12,000	87.008%	10,441	-	10,441	TOTAL STEAM PLANT
29	509	ALLOWANCES	4,981	87.008%	4,334	(4,333)	1	TOTAL STEAM PLANT
30	510	MAINTENANCE SUPERVISION AND ENGINEERING	9,501,726	87.110%	8,276,917	-	8,276,917	TOTAL STEAM PLANT
31	511	MAINTENANCE OF STRUCTURES	9,171,401	87.136%	7,991,561	-	7,991,561	TOTAL STEAM PLANT
32	512	MAINTENANCE OF BOILER PLANT	42,589,365	88.021%	37,487,449	(3,607,110)	33,880,339	ENERGY
33	513	MAINTENANCE OF ELECTRIC PLANT	10,040,232	88.020%	8,837,402	-	8,837,402	ENERGY
34	514	MAINTENANCE OF MISC STEAM PLANT	2,998,098	89.401%	2,680,328	-	2,680,328	TOTAL STEAM PLANT
35		TOTAL STEAM GENERATION	<u>509,848,884</u>		<u>448,027,407</u>	<u>55,677,556</u>	<u>503,704,963</u>	
36		<u>HYDRAULIC GENERATION:</u>						
37	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	87.494%	-	-	-	TOTAL HYDRAULIC PLANT
38	536	WATER FOR POWER	-	87.494%	-	-	-	TOTAL HYDRAULIC PLANT
39	537	HYDRAULIC EXPENSES	-	87.494%	-	-	-	TOTAL HYDRAULIC PLANT
40	538	ELECTRIC EXPENSES	-	87.494%	-	-	-	TOTAL HYDRAULIC PLANT
41	539	MISC HYDRAULIC POWER GENERATION EXPENSES	22,552	87.494%	19,732	-	19,732	TOTAL HYDRAULIC PLANT
42	540	RENTS	-	87.494%	-	-	-	TOTAL HYDRAULIC PLANT
43	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	121,314	87.494%	106,143	-	106,143	TOTAL HYDRAULIC PLANT
44	542	MAINTENANCE OF STRUCTURES	180,870	87.494%	158,251	-	158,251	TOTAL HYDRAULIC PLANT
45	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	87.494%	-	-	-	TOTAL HYDRAULIC PLANT
46	544	MAINTENANCE OF ELECTRIC PLANT	65,090	87.998%	57,278	-	57,278	ENERGY
47	545	MAINTENANCE OF MISC HYDRAULIC PLANT	5,707	87.494%	4,994	-	4,994	TOTAL HYDRAULIC PLANT
48		TOTAL HYDRAULIC GENERATION	<u>395,533</u>		<u>346,397</u>	-	<u>346,397</u>	
49		<u>OTHER GENERATION:</u>						
50	546	OTHER OPERATION SUPERVISION AND ENGINEERING	1,266,152	87.277%	1,105,064	-	1,105,064	TOTAL OTHER PROD PLANT
51	547	OTHER FUEL	118,476,917	87.998%	104,256,865	(802,965)	103,453,900	ENERGY
52	548	GENERATION EXPENSES	485,497	87.277%	423,729	-	423,729	TOTAL OTHER PROD PLANT

KENTUCKY UTILITIES COMPANY
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FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL X ___ UPDATED ___ REVISED
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LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTION	JURISDICTIONAL ADJUSTMENTS SCH D-2	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL METHOD / DESCRIPTION
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
53	549	MISC OTHER POWER GENERATION EXPENSES	3,602,114	87.277%	3,143,830	-	3,143,830	TOTAL OTHER PROD PLANT
54	550	RENTS	25,627	87.277%	22,367	-	22,367	TOTAL OTHER PROD PLANT
55	551	MAINTENANCE SUPERVISION AND ENGINEERING	408,725	87.277%	356,724	-	356,724	TOTAL OTHER PROD PLANT
56	552	MAINTENANCE OF STRUCTURES	988,960	87.277%	863,138	-	863,138	TOTAL OTHER PROD PLANT
57	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	3,757,058	87.277%	3,279,061	-	3,279,061	TOTAL OTHER PROD PLANT
58	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	4,493,198	87.277%	3,921,545	-	3,921,545	TOTAL OTHER PROD PLANT
59		TOTAL OTHER GENERATION	133,504,248		117,372,321	(802,965)	116,569,357	
60		<u>OTHER POWER SUPPLY:</u>						
61	555	PURCHASED POWER	43,080,341	87.946%	37,887,442	(630,648)	37,256,793	DEMAND AND ENERGY
62	556	SYSTEM CONTROL AND LOAD DISPATCHING	1,921,549	87.714%	1,685,472	-	1,685,472	DEMAND
63	557	OTHER EXPENSES	2,200	87.055%	1,915	(6,729)	(4,814)	TOTAL PRODUCTION PLANT
64		TOTAL OTHER POWER SUPPLY	45,004,089		39,574,828	(637,377)	38,937,451	
65		TOTAL PRODUCTION EXPENSES	688,752,754		605,320,953	54,237,214	659,558,167	
66		<u>TRANSMISSION EXPENSES:</u>						
67	560	TRANS OPERATION SUPERVISION AND ENGINEERING	1,641,319	89.811%	1,474,085	-	1,474,085	TOTAL TRANS OPERATIONS LABOR
68	561	LOAD DISPATCHING	4,056,091	89.811%	3,642,819	-	3,642,819	TOTAL TRANSMISSION PLANT
69	562	STATION EXPENSES	1,363,793	89.811%	1,224,837	-	1,224,837	TOTAL TRANSMISSION PLANT
70	563	OVERHEAD LINE EXPENSES	595,212	89.811%	534,566	-	534,566	TOTAL TRANSMISSION PLANT
71	564	UNDERGROUND LINE EXPENSES	-	89.811%	-	-	-	TOTAL TRANSMISSION PLANT
72	565	TRANSMISSION OF ELECTRICITY BY OTHERS	3,371,319	89.811%	3,027,817	(450,876)	2,576,941	TOTAL TRANSMISSION PLANT
73	566	MISC TRANSMISSION EXPENSES	11,877,988	89.811%	10,667,746	-	10,667,746	TOTAL TRANSMISSION PLANT AND DIRECT
74	567	RENTS	148,307	89.811%	133,196	-	133,196	TOTAL TRANSMISSION PLANT
75	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	89.811%	-	-	-	TOTAL TRANSMISSION PLANT
76	569	MAINTENANCE OF STRUCTURES	-	89.811%	-	-	-	TOTAL TRANSMISSION PLANT
77	570	MAINTENANCE OF STATION EQUIPMENT	1,860,452	89.811%	1,670,892	-	1,670,892	TOTAL TRANSMISSION PLANT
78	571	MAINTENANCE OF OVERHEAD LINES	5,876,961	89.943%	5,285,944	-	5,285,944	TOTAL TRANSMISSION PLANT AND DIRECT
79	572	MAINTENANCE OF UNDERGROUND LINES	-	89.811%	-	-	-	TOTAL TRANSMISSION PLANT

KENTUCKY UTILITIES COMPANY
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FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

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LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTION	JURISDICTIONAL ADJUSTMENTS SCH D-2	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL METHOD / DESCRIPTION
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
80	573	MAINTENANCE OF MISC TRANSMISSION PLANT	338,366	89.811%	303,890	-	303,890	TOTAL TRANSMISSION PLANT
81	575	MISO DAY 1 AND 2 EXPENSE	<u>(326,493)</u>	100.191%	<u>(327,118)</u>	-	<u>(327,118)</u>	TOTAL TRANSMISSION PLANT AND DIRECT
82		TOTAL TRANSMISSION EXPENSES	<u>30,803,315</u>		<u>27,638,675</u>	<u>(450,876)</u>	<u>27,187,799</u>	
83		<u>DISTRIBUTION EXPENSES:</u>						
84	580	DISTR OPERATION SUPERVISION AND ENGINEERING	1,561,493	94.390%	1,473,892	-	1,473,892	TOTAL DISTRIBUTION PLANT
85	581	LOAD DISPATCHING	458,796	93.670%	429,754	-	429,754	TOTAL ACCT 360-362 SUBSTATIONS
86	582	STATION EXPENSES	2,088,487	93.670%	1,956,283	-	1,956,283	TOTAL ACCT 360-362 SUBSTATIONS
87	583	OVERHEAD LINE EXPENSES	5,864,281	92.726%	5,437,721	-	5,437,721	TOTAL ACCT 364-365 OVHD LINES
88	584	UNDERGROUND LINE EXPENSES	-	97.564%	-	-	-	TOTAL ACCT 366-367 UG LINES
89	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	96.842%	-	-	-	TOTAL ACCT 373 STREET LIGHTING
90	586	METER EXPENSES	7,763,543	94.294%	7,320,550	-	7,320,550	TOTAL ACCT 370 METERS
91	587	CUSTOMER INSTALLATIONS EXPENSES	(56,819)	96.842%	(55,025)	-	(55,025)	TOTAL ACCT 371 CUSTOMER INSTALL
92	588	MISC DISTRIBUTION EXPENSES	6,079,734	94.390%	5,738,655	-	5,738,655	TOTAL DISTRIBUTION PLANT
93	589	RENTS	6,982	94.390%	6,590	-	6,590	TOTAL DISTRIBUTION PLANT
94	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	17,472	94.390%	16,492	-	16,492	TOTAL DISTRIBUTION PLANT
95	591	MAINTENANCE OF STRUCTURES	-	93.670%	-	-	-	TOTAL ACCT 360-362 SUBSTATIONS
96	592	MAINTENANCE OF STATION EQUIPMENT	1,181,988	93.670%	1,107,166	-	1,107,166	TOTAL ACCT 360-362 SUBSTATIONS
97	593	MAINTENANCE OF OVERHEAD LINES	30,832,071	92.688%	28,577,697	-	28,577,697	TOTAL ACCT 364-365 OVHD LINES
98	594	MAINTENANCE OF UNDERGROUND LINES	459,435	97.564%	448,243	-	448,243	TOTAL ACCT 366-367 UG LINES
99	595	MAINTENANCE OF LINE TRANSFORMERS	105,880	95.798%	101,431	-	101,431	TOTAL ACCT 368 LINE TRANSFORMER
100	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	96.842%	-	-	-	TOTAL ACCT 373 STREET LIGHTING
101	597	MAINTENANCE OF METERS	-	94.294%	-	-	-	TOTAL ACCT 370 METERS
102	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	<u>421,985</u>	94.390%	<u>398,311</u>	-	<u>398,311</u>	TOTAL DISTRIBUTION PLANT
103		TOTAL DISTRIBUTION EXPENSES	<u>56,785,329</u>		<u>52,957,759</u>	-	<u>52,957,759</u>	
104		<u>CUSTOMER ACCOUNTS EXPENSES:</u>						
105	901	CUSTOMER ACCTS SUPERVISION	3,488,559	94.900%	3,310,653	-	3,310,653	TOTAL CUSTOMER ACCTS LABOR
106	902	METER READING EXPENSES	5,364,585	94.900%	5,091,007	-	5,091,007	CUSTOMERS

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LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTION	JURISDICTIONAL ADJUSTMENTS SCH D-2	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL METHOD / DESCRIPTION
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
107	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	18,714,449	94.900%	17,760,070	-	17,760,070	CUSTOMERS
108	904	UNCOLLECTIBLE ACCOUNTS	3,250,276	94.900%	3,084,522	-	3,084,522	CUSTOMERS
109	905	MISC CUSTOMER ACCOUNTS EXPENSE	2,089	94.900%	1,982	-	1,982	TOTAL ACCT 902-904 CUST ACCTS
110		TOTAL CUSTOMER ACCOUNTS EXPENSES	<u>30,819,958</u>		<u>29,248,235</u>	-	<u>29,248,235</u>	
111		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES:</u>						
112	907	CUSTOMER SERVICE AND INFO SUPERVISION	573,785	99.709%	572,117	-	572,117	TOTAL CUSTOMER SERVICE LABOR
113	908	CUSTOMER ASSISTANCE EXPENSES	20,733,834	100.000%	20,733,834	(20,186,961)	546,873	DIRECT ASSIGN
114	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	474,085	94.849%	449,663	-	449,663	CUSTOMERS
115	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	1,647,198	99.885%	1,645,302	-	1,645,302	TOTAL ACCT 908-909 CUST SERV
116		TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	<u>23,428,901</u>		<u>23,400,916</u>	<u>(20,186,961)</u>	<u>3,213,955</u>	
117		<u>SALES EXPENSES:</u>						
118	911	SALES SUPERVISION	-	99.709%	-	-	-	TOTAL SALES EXP LABOR
119	912	DEMONSTRATING AND SELLING EXPENSES	-	94.849%	-	-	-	CUSTOMERS
120	913	ADVERTISING EXPENSES	824,857	94.849%	782,367	-	782,367	CUSTOMERS
121	916	MISC SALES EXPENSES	-	94.849%	-	-	-	TOTAL ACCT 912-913 SALES EXP
122		TOTAL SALES EXPENSES	<u>824,857</u>		<u>782,367</u>	-	<u>782,367</u>	
123		<u>ADMINISTRATIVE AND GENERAL EXPENSES:</u>						
124	920	ADMINISTRATIVE AND GENERAL SALARIES	34,493,373	90.298%	31,146,796	-	31,146,796	LABOR
125	921	OFFICE SUPPLIES AND EXPENSES	6,745,581	90.298%	6,091,118	-	6,091,118	LABOR
126	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	(5,390,513)	90.298%	(4,867,521)	-	(4,867,521)	LABOR
127	923	OUTSIDE SERVICES	17,313,519	90.298%	15,633,746	(25,397)	15,608,349	LABOR
128	924	PROPERTY INSURANCE	6,110,675	88.794%	5,425,907	-	5,425,907	TOTAL PLANT
129	925	INJURIES AND DAMAGES	4,047,805	90.303%	3,655,293	-	3,655,293	LABOR
130	926	EMPLOYEE PENSION AND BENEFITS	37,419,610	88.789%	33,224,437	-	33,224,437	LABOR
131	927	FRANCHISE REQUIREMENTS	4,032	0.000%	-	-	-	DIRECT ASSIGN
132	928	REGULATORY COMMISSION EXPENSES	1,176,343	95.779%	1,126,689	-	1,126,689	DIRECT ASSIGN AND ENERGY

KENTUCKY UTILITIES COMPANY
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LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTION	JURISDICTIONAL ADJUSTMENTS SCH D-2	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL METHOD / DESCRIPTION
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
133	929	DUPLICATE CHARGES--CREDIT	(4,032)	0.000%	-	-	-	DIRECT ASSIGN
134	930.1	GENERAL ADVERTISING EXPENSES	4,402	95.110%	4,187	-	4,187	LABOR
135	930.2	MISC GENERAL EXPENSES	5,075,626	90.494%	4,593,123	-	4,593,123	LABOR
136	931	RENTS	2,089,801	90.298%	1,887,047	-	1,887,047	LABOR
137	935	MAINTENANCE OF GENERAL PLANT	912,512	90.298%	823,979	-	823,979	LABOR
138		TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	<u>109,998,733</u>		<u>98,744,801</u>	<u>(25,397)</u>	<u>98,719,404</u>	
139		TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>941,413,847</u>		<u>838,093,707</u>	<u>33,573,981</u>	<u>871,667,687</u>	
140	403-404	DEPRECIATION AND AMORTIZATION	235,609,025	88.868%	209,381,778	(23,805,829)	185,575,950	FUNCTIONAL PLANT
141	407.3	REGULATORY DEBITS	237,547	96.990%	230,398	(230,398)	-	DIRECT ASSIGN
142	408	TAXES OTHER THAN INCOME TAXES	40,078,646	90.213%	36,155,987	(1,590,405)	34,565,582	DIRECT ASSIGN, NET PLANT, PLANT, LABOR
143	409-411	FEDERAL INCOME TAXES	131,053,818	88.928%	116,543,613	(28,214,342)	88,329,271	CALCULATED
144	409-411	STATE INCOME TAXES	23,155,867	88.678%	20,534,129	(4,926,410)	15,607,719	CALCULATED
145	411.4	INVESTMENT TAX CREDIT	4,601,305	88.928%	4,091,851	-	4,091,851	CALCULATED
146	411.8	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	<u>(92)</u>	87.714%	<u>(81)</u>	<u>81</u>	<u>-</u>	DEMAND
147		TOTAL OPERATING EXPENSES	<u>1,376,149,963</u>		<u>1,225,031,382</u>	<u>(25,193,322)</u>	<u>1,199,838,060</u>	
148		NET OPERATING INCOME	<u>347,200,556</u>		<u>309,954,682</u>	<u>(70,078,667)</u>	<u>239,876,015</u>	

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPARISON OF TOTAL COMPANY ACTIVITY
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: __X__ BASE PERIOD _____ FORECASTED PERIOD
TYPE OF FILING: _____ ORIGINAL __X__ UPDATED _____ REVISED
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SCHEDULE C-2.2
SHEET 1 OF 4
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Line No.	Acct No.	Account Description	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual Jan-17	Actual Feb-17	TOTAL
1	403	DEPRECIATION EXPENSE	18,345,921	18,360,453	18,384,747	18,436,212	18,487,626	18,508,370	18,626,813	18,737,835	18,763,240	18,883,972	18,987,206	18,985,756	223,508,150
2	404	AMORTIZATION EXPENSE	1,007,937	992,736	974,387	969,445	968,881	989,791	1,001,782	1,002,376	1,010,689	1,039,053	1,066,697	1,077,101	12,100,876
3	4073	REGULATORY DEBITS-ARO PONDS	-	-	-	-	-	33,929	22,160	28,459	31,766	34,907	40,106	46,220	237,547
4	4081	TAXES OTHER THAN INCOME TAXES	3,551,416	3,615,498	3,226,400	3,170,184	3,599,164	3,393,760	3,240,777	3,208,206	3,268,635	3,140,432	3,285,268	3,378,905	40,078,646
5	4118	LOSSES(GAIN) FROM DISPOSITION OF ALLOWANCES	(92)	-	-	-	-	-	-	-	-	-	-	-	(92)
6	440	RESIDENTIAL REVENUE	(44,922,687)	(39,680,320)	(39,751,345)	(53,516,377)	(61,594,996)	(59,670,871)	(48,391,381)	(37,572,931)	(42,969,802)	(67,354,775)	(67,859,703)	(48,559,462)	(611,844,649)
7	4422	COMMERCIAL REVENUE	(29,749,136)	(29,196,157)	(30,296,239)	(34,142,618)	(37,104,704)	(38,205,372)	(34,485,057)	(31,156,399)	(29,601,635)	(32,374,784)	(33,728,723)	(30,653,431)	(390,694,257)
8	4423	INDUSTRIAL REVENUE	(33,031,958)	(35,021,410)	(34,317,441)	(36,624,795)	(35,384,165)	(37,272,237)	(34,570,845)	(34,342,822)	(33,313,081)	(33,386,959)	(32,753,300)	(33,266,890)	(413,285,903)
9	444	PUBLIC STREET AND HIGHWAY LIGHTING REVENUE	(1,029,934)	(1,042,912)	(1,024,953)	(974,404)	(1,001,078)	(1,097,985)	(1,065,561)	(1,160,637)	(1,141,315)	(1,135,531)	(1,014,338)	(892,521)	(12,581,170)
10	445	OTHER SALES TO PUBLIC AUTHORITIES REVENUE	(10,251,059)	(9,990,338)	(10,335,813)	(11,798,259)	(11,507,665)	(12,462,933)	(12,111,421)	(11,128,931)	(10,082,399)	(10,372,199)	(10,882,905)	(10,201,184)	(131,125,105)
11	447	SALES FOR RESALE REVENUE	(9,539,102)	(10,078,994)	(10,844,421)	(12,479,900)	(13,594,540)	(13,974,437)	(12,030,022)	(12,606,838)	(8,950,488)	(9,554,715)	(11,320,807)	(9,251,109)	(134,225,374)
12	449	PROVISION FOR REFUND REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-
13	450	FORFEITED DISCOUNTS	(481,060)	(281,520)	(211,069)	(243,426)	(340,924)	(495,952)	(385,010)	(322,915)	(161,935)	(219,820)	(427,725)	(447,042)	(4,018,397)
14	451	ELECTRIC SERVICE REVENUE	(210,421)	(256,546)	(203,637)	(177,907)	(138,021)	(218,909)	(214,857)	(190,718)	(178,015)	(103,719)	(120,039)	(176,255)	(2,189,044)
15	454	RENT FROM ELECTRIC PROPERTY	(321,872)	(284,534)	(308,903)	(301,424)	(122,801)	(284,228)	(281,965)	(287,501)	(266,827)	(341,285)	(292,889)	(304,150)	(3,398,379)
16	456	OTHER MISCELLANEOUS REVENUE	(1,248,143)	(1,265,977)	(1,449,928)	(1,893,407)	(1,877,627)	(1,819,688)	(1,761,714)	(1,577,751)	(1,433,313)	(1,971,806)	(2,039,703)	(1,649,184)	(19,988,241)
17	500	STEAM OPERATION SUPERVISION AND ENGINEERING	992,874	808,937	890,996	228,218	741,153	843,693	700,829	773,563	765,858	822,253	873,303	717,806	9,159,483
18	501	FUEL	24,270,022	25,330,913	28,726,899	32,785,518	35,828,967	39,184,095	32,355,253	28,544,340	29,114,405	31,051,177	32,185,203	25,809,343	366,096,176
19	502	STEAM EXPENSES	1,629,547	1,751,831	1,849,839	1,826,415	1,773,230	1,814,036	1,873,597	1,861,415	1,759,668	1,852,398	1,575,202	1,586,584	21,333,721
20	504	STEAM TRANSFERRED-CREDIT	-	-	-	-	-	-	-	-	-	-	-	-	-
21	505	ELECTRIC EXPENSES	651,467	688,887	652,018	634,354	620,814	662,440	647,852	666,224	693,809	717,922	710,176	614,346	7,960,310
22	506	MISC STEAM POWER EXPENSES	2,381,353	1,924,871	2,432,460	2,757,977	3,074,283	3,406,246	2,958,676	2,367,121	2,618,818	2,810,060	2,551,562	2,697,964	31,981,391
23	507	RENTS	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
24	509	ALLOWANCES	484	414	489	512	498	573	361	204	441	373	342	289	4,981
25	510	MAINTENANCE SUPERVISION AND ENGINEERING	980,261	1,143,230	807,647	691,979	661,883	886,950	814,428	781,160	687,293	643,855	720,263	682,777	9,501,726
26	511	MAINTENANCE OF STRUCTURES	716,879	801,974	821,127	789,728	688,804	972,368	827,329	792,801	694,654	575,880	674,755	815,102	9,171,401
27	512	MAINTENANCE OF BOILER PLANT	5,689,208	8,275,439	2,677,789	1,638,827	2,275,856	2,515,169	2,902,391	4,245,072	3,804,208	2,402,967	3,139,012	3,023,427	42,589,365
28	513	MAINTENANCE OF ELECTRIC PLANT	1,478,651	1,387,194	749,227	816,028	942,353	419,729	262,608	1,137,776	1,292,446	434,279	620,052	499,888	10,040,232
29	514	MAINTENANCE OF MISC STEAM PLANT	226,927	351,674	200,426	248,497	404,495	185,111	217,853	317,053	188,229	205,002	163,442	289,387	2,998,098
30	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	-	-	-	-	-	-	-
31	536	WATER FOR POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
32	537	HYDRAULIC EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
33	538	ELECTRIC EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
34	539	MISC HYDRAULIC POWER GENERATION EXPENSES	338	225	225	3,559	1,655	150	150	150	150	5,901	150	9,900	22,552
35	540	RENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
36	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	14,502	10,679	9,565	8,916	9,435	10,446	8,798	9,765	8,889	10,760	10,439	9,120	121,314
37	542	MAINTENANCE OF STRUCTURES	3,582	6,879	12,503	12,412	8,719	64,773	52,215	(19,930)	25,227	9,150	2,533	2,806	180,870
38	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAY	-	-	-	-	-	-	-	-	-	-	-	-	-
39	544	MAINTENANCE OF ELECTRIC PLANT	1,964	1,220	8,930	8,921	1,100	29,187	(3,686)	4,651	3,941	4,236	3,206	1,422	65,090
40	545	MAINTENANCE OF MISC HYDRAULIC PLANT	295	680	461	411	504	886	464	331	617	242	437	381	5,707
41	546	OTHER OPERATION SUPERVISION AND ENGINEERING	86,900	82,852	87,214	208,247	89,887	107,997	96,408	101,081	100,160	112,457	98,583	94,367	1,266,152
42	547	OTHER FUEL	9,773,809	7,740,766	7,402,745	12,489,506	13,123,300	11,251,005	10,264,607	10,559,583	6,282,167	12,081,957	10,191,431	7,316,041	118,476,917
43	548	GENERATION EXPENSES	44,291	35,436	42,796	25,555	43,103	38,228	32,761	41,080	52,912	51,808	42,354	35,171	485,497
44	549	MISC OTHER POWER GENERATION EXPENSES	336,178	314,342	219,620	478,945	330,254	318,148	347,155	319,461	192,637	214,324	273,976	257,075	3,602,114
45	550	RENTS	1,999	1,629	1,240	3,025	2,430	1,839	1,749	1,973	2,284	2,296	3,189	2,567	25,627
46	551	MAINTENANCE SUPERVISION AND ENGINEERING	52,894	104,932	(644)	34,671	(7,961)	54,911	17,518	38,949	35,795	19,272	46,487	11,898	408,725
47	552	MAINTENANCE OF STRUCTURES	133,079	99,381	100,751	61,323	49,463	54,572	57,052	45,631	93,781	160,388	85,965	47,575	988,960
48	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	382,550	54,198	260,016	320,495	376,061	213,089	343,857	356,443	788,749	258,037	339,396	64,165	3,757,058
49	554	MAINTENANCE OF MISC OTHER POWER GENERATION PL	361,474	368,455	331,968	242,196	294,248	375,194	260,987	528,399	508,183	206,496	583,052	432,546	4,493,198
50	555	PURCHASED POWER	4,036,615	4,475,322	1,990,102	2,569,626	2,762,336	1,645,623	2,284,280	1,620,025	2,232,513	5,058,121	7,358,322	7,047,456	43,080,341
51	556	SYSTEM CONTROL AND LOAD DISPATCHING	176,005	158,366	153,374	112,207	176,877	173,503	159,831	152,638	153,745	175,015	165,976	164,011	1,921,549
52	557	OTHER EXPENSES	(379)	945	180	2,001	4,063	5,316	4,597	7,362	838	1,752	2,735	(27,210)	2,200
53	560	TRANS OPERATION SUPERVISION AND ENGINEERING	158,530	130,925	145,759	152,951	112,886	117,730	123,906	125,649	142,246	132,421	164,775	133,541	1,641,319
54	561	LOAD DISPATCHING	348,664	366,218	269,972	402,698	305,940	347,583	328,237	346,126	313,495	387,568	321,299	138,292	4,056,091
55	562	STATION EXPENSES	115,963	158,237	141,686	162,980	116,839	103,694	100,002	120,237	67,500	70,309	88,951	117,395	1,363,793
56	563	OVERHEAD LINE EXPENSES	43,043	57,815	42,284	88,538	26,090	71,573	35,477	51,673	56,891	45,229	30,749	45,849	595,212
57	564	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
58	565	TRANSMISSION OF ELECTRICITY BY OTHERS	242,106	253,697	245,867	359,274	339,327	277,773	305,607	337,982	267,190	271,759	237,911	232,825	3,371,319
59	566	MISC TRANSMISSION EXPENSES	984,316	959,655	898,374	888,483	916,102	979,572	982,260	1,322,448	1,209,361	1,060,799	978,210	698,406	11,877,988
60	567	RENTS	2,776	52,676	8,688	3,765	776	2,776	3,992	6,045	3,998	3,999	44,794	14,020	148,307
61	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	-	-	-	-	-	-	-
62	569	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
63	570	MAINTENANCE OF STATION EQUIPMENT	188,235	134,110	127,488	211,237	217,360	182,767	145,708	134,082	113,386	128,529	118,081	159,469	1,860,452

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPARISON OF TOTAL COMPANY ACTIVITY
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: ___X___ BASE PERIOD ___FORECASTED PERIOD___
TYPE OF FILING: ___ORIGINAL___ _X_ UPDATED ___REVISED___
WORKPAPER REFERENCE NO(S):

SCHEDULE C-2.2
SHEET 2 OF 4

WITNESS: C. M. GARRETT

Line No.	Acct No.	Account Description	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual Jan-17	Actual Feb-17	TOTAL
64	571	MAINTENANCE OF OVERHEAD LINES	290,788	391,137	323,806	1,346,095	427,552	429,196	253,039	494,999	641,765	562,422	385,341	330,821	5,876,961
65	572	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	-	-	-	-	-	-	-	-
66	573	MAINTENANCE OF MISC TRANSMISSION PLANT	39,623	41,081	41,846	30,615	17,835	41,050	16,697	9,763	17,134	20,787	32,299	29,636	338,366
67	575	MISO DAY 1 AND 2 EXPENSE	(27,717)	(27,698)	(27,676)	(27,618)	(27,451)	(27,441)	(27,542)	(27,482)	(27,533)	(27,261)	(27,515)	(23,558)	(326,493)
68	580	DISTR OPERATION SUPERVISION AND ENGINEERING	125,726	94,573	122,164	185,332	217,348	107,991	124,938	115,887	109,798	112,813	113,126	131,799	1,561,493
69	581	LOAD DISPATCHING	45,035	36,626	30,362	38,567	36,897	37,154	37,577	39,056	35,976	42,677	40,855	38,015	458,796
70	582	STATION EXPENSES	184,730	166,176	189,296	242,949	172,581	176,111	121,190	138,734	139,770	170,196	193,992	192,763	2,088,487
71	583	OVERHEAD LINE EXPENSES	441,997	514,542	470,446	479,609	500,151	521,369	586,747	460,985	460,188	511,206	438,039	479,002	5,864,281
72	584	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
73	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
74	586	METER EXPENSES	702,948	623,307	594,212	646,930	642,989	704,857	687,046	594,146	606,077	665,504	656,298	639,229	7,763,543
75	587	CUSTOMER INSTALLATIONS EXPENSES	(4,268)	(6,604)	(8,331)	(6,896)	(5,704)	(2,653)	(4,065)	(2,541)	(7,353)	(2,466)	(1,784)	(4,153)	(56,819)
76	588	MISC DISTRIBUTION EXPENSES	419,521	361,179	369,413	524,921	425,693	655,684	515,795	513,286	504,352	668,068	532,275	589,548	6,079,734
77	589	RENTS	3,165	-	1,710	-	-	888	765	-	-	-	654	-	6,982
78	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	320	34	956	1,388	8,722	4,620	299	99	226	399	18	392	17,472
79	591	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
80	592	MAINTENANCE OF STATION EQUIPMENT	68,692	73,042	140,396	196,310	100,764	73,231	68,681	75,811	73,157	154,955	76,755	80,195	1,181,988
81	593	MAINTENANCE OF OVERHEAD LINES	2,431,572	3,083,215	2,303,441	2,741,943	2,767,490	2,930,304	2,953,158	2,096,139	2,556,942	2,428,991	2,208,210	2,330,667	30,832,071
82	594	MAINTENANCE OF UNDERGROUND LINES	51,110	32,059	37,578	40,915	40,248	44,239	50,764	38,001	31,842	32,965	38,043	21,671	459,435
83	595	MAINTENANCE OF LINE TRANSFORMERS	4,952	4,053	6,308	10,116	9,319	20,271	7,885	6,791	9,061	10,158	4,629	12,338	105,880
84	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	-	-	-	-	-	-	-	-	-	-	-	-
85	597	MAINTENANCE OF METERS	-	-	-	-	-	-	-	-	-	-	-	-	-
86	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	1,716	3,621	4,319	7,372	82,354	185,519	25,982	22,301	20,840	31,385	22,393	14,184	421,985
87	901	CUSTOMER ACCTS SUPERVISION	287,819	263,402	271,165	267,805	306,958	325,443	316,837	320,100	299,746	273,898	285,579	269,808	3,488,559
88	902	METER READING EXPENSES	473,443	430,032	492,282	447,366	421,420	450,555	458,211	411,966	451,453	483,466	400,340	444,050	5,364,585
89	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	1,459,102	1,469,112	1,356,910	1,558,482	1,429,589	2,136,251	1,565,455	1,525,330	1,613,827	1,588,507	1,537,701	1,474,183	18,714,449
90	904	UNCOLLECTIBLE ACCOUNTS	356,324	172,486	44,605	157,137	301,908	750,198	454,319	321,935	31,682	281,883	315,106	62,693	3,250,276
91	905	MISC CUSTOMER ACCOUNTS EXPENSE	101	119	168	245	179	227	57	181	19	241	278	272	2,089
92	907	CUSTOMER SERVICE AND INFO SUPERVISION	29,211	24,975	26,718	30,708	19,183	161,939	31,898	55,093	49,014	49,702	48,863	46,480	573,785
93	908	CUSTOMER ASSISTANCE EXPENSES	1,220,058	1,229,270	1,404,827	1,600,721	2,843,421	1,736,100	2,363,762	1,627,232	1,640,614	1,940,569	1,621,103	1,506,156	20,733,834
94	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	46,813	(2,338)	42,917	58,826	8,119	85,687	68,241	29,906	17,866	14,919	20,911	82,217	474,085
95	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	55,430	83,440	52,862	66,852	95,685	437,202	67,122	64,996	135,060	275,404	84,805	228,339	1,647,198
96	911	SALES SUPERVISION	-	-	-	-	-	-	-	-	-	-	-	-	-
97	912	DEMONSTRATING AND SELLING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
98	913	ADVERTISING EXPENSES	72,722	7,696	19,794	56,949	35,420	800	27,203	93,397	48,408	259,280	16,371	186,817	824,857
99	916	MISC SALES EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
100	920	ADMINISTRATIVE AND GENERAL SALARIES	3,158,327	2,928,293	3,003,802	2,691,430	2,596,895	2,829,190	2,886,079	2,956,704	2,828,989	2,648,201	3,092,810	2,872,653	34,493,373
101	921	OFFICE SUPPLIES AND EXPENSES	499,984	563,190	519,991	527,150	590,884	493,803	448,446	333,449	711,868	756,933	661,141	638,742	6,745,581
102	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	(440,489)	(380,320)	(371,628)	(365,992)	(331,951)	(381,681)	(378,686)	(380,063)	(391,219)	(1,067,993)	(457,130)	(443,361)	(5,390,513)
103	923	OUTSIDE SERVICES	1,988,633	1,474,904	1,672,537	1,561,506	1,345,225	988,224	1,561,130	1,268,544	1,209,224	1,657,328	1,114,048	1,472,215	17,313,519
104	924	PROPERTY INSURANCE	643,494	577,730	510,236	464,556	513,875	387,935	541,940	486,082	485,554	485,554	554,231	459,488	6,110,675
105	925	INJURIES AND DAMAGES	274,400	307,345	388,529	150,629	473,626	873,941	51,726	579,170	203,122	145,325	388,155	211,836	4,047,805
106	926	EMPLOYEE PENSION AND BENEFITS	3,886,332	3,146,063	3,379,960	2,410,864	3,050,483	3,185,427	2,443,711	3,041,540	2,475,200	3,246,645	3,575,907	3,577,478	37,419,610
107	927	FRANCHISE REQUIREMENTS	338	318	291	292	293	348	347	346	357	367	367	367	4,032
108	928	REGULATORY COMMISSION EXPENSES	84,656	194,781	97,555	128,620	74,630	(19,466)	91,007	91,007	134,475	117,065	91,007	91,007	1,176,343
109	929	DUPLICATE CHARGES--CREDIT	(338)	(318)	(291)	(292)	(293)	(348)	(347)	(346)	(357)	(367)	(367)	(367)	(4,032)
110	9301	GENERAL ADVERTISING EXPENSES	(4,668)	9,918	943	4,706	2,945	1,928	40,589	278	(42,921)	(10,892)	888	688	4,402
111	9302	MISC GENERAL EXPENSES	621,508	465,511	406,030	235,905	477,002	383,303	337,618	356,788	431,448	368,316	502,901	489,295	5,075,626
112	931	RENTS	174,648	186,690	150,495	180,648	178,026	156,787	181,946	182,092	160,743	179,564	180,882	177,280	2,089,801
113	935	MAINTENANCE OF GENERAL PLANT	194,041	168,316	200,945	188,149	194,238	(488,089)	132,330	135,198	149,288	(172,345)	156,702	53,739	912,512
114		OPERATING (INCOME) LOSS	(31,509,989)	(27,383,059)	(35,575,245)	(49,423,872)	(53,252,174)	(54,859,122)	(43,780,295)	(31,684,104)	(32,931,603)	(52,822,881)	(53,568,206)	(39,220,996)	(506,011,546)

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(d)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE D

JURISDICTIONAL ADJUSTMENTS OF OPERATING INCOME

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD : FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECASTED PERIOD : FOR THE 12 MONTHS ENDED JUNE 30, 2018

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
D-1	SUMMARY OF JURISDICTIONAL ADJUSTMENTS
D-2	JURISDICTIONAL ADJUSTMENTS
D-2.1	JURISDICTIONAL PRO FORMA ADJUSTMENTS
WPD-2	JURISDICTIONAL ADJUSTMENTS WORKPAPER
WPD-2.1	JURISDICTIONAL PRO FORMA ADJUSTMENTS WORKPAPER

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017 AND FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISIED
WORKPAPER REFERENCE NO(S):

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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD	FORECASTED PERIOD JURISDICTIONAL	JURISDICTIONAL PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD (Note 1)	PRO FORMA FORECASTED PERIOD JURISDICTIONAL	DESCRIPTION OF JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (Note 2)
			(1)	(2)	(3)	(4)	(5)	(6)
			\$	\$	\$	\$	\$	
1		OPERATING REVENUES						
2		SALES OF ELECTRICITY:						
3	440	RESIDENTIAL	529,984,434	29,065,563	559,049,997	-	559,049,997	Variance reflects forecasted increase in billing determinants from the base period to the forecasted period at current tariff rates. Base period actuals also reflect the unseasonably mild winter experienced which resulted in lower base energy and base fuel revenue.
4	442.2	COMMERCIAL	345,644,506	5,247,878	350,892,385	122,025	351,014,410	Variance reflects forecasted increase in billing determinants from the base period to the forecasted period at current tariff rates.
5	442.3	INDUSTRIAL	396,442,173	11,715,479	408,157,652	195,384	408,353,036	Variance reflects forecasted increase in billing determinants from the base period to the forecasted period at current tariff rates. Base period actuals also reflect lower energy and demand usage resulting in lower base fuel revenue and lower demand revenue.
6	444	PUBLIC STREET AND HIGHWAY LIGHTING	11,246,030	(285,523)	10,960,507	-	10,960,507	Variance reflects forecasted change in billing determinants from the base period to the forecasted period at current tariff rates.
7	445	OTHER SALES TO PUBLIC AUTHORITIES	117,929,555		117,660,570	54,759	117,715,329	Variance reflects forecasted decrease in billing determinants from the base period to the forecasted period at current tariff rates.
8		TOTAL SALES TO ULTIMATE CONSUMERS	1,401,246,699	45,743,397	1,446,721,110	372,168	1,447,093,278	
9	447	SALES FOR RESALE	10,441,901	(2,018,998)	8,422,903	(1,635,232)	6,787,671	Variance is driven by lower intercompany sales to LG&E and the ECR off-system sales revenue proforma adjustment.
10	449.1	PROVISION FOR RATE REFUNDS	-	-	-	-	-	
11		TOTAL SALES OF ELECTRICITY	1,411,688,600	43,724,399	1,455,144,014	(1,263,064)	1,453,880,950	
12		OTHER OPERATING REVENUES:						
13	450	LATE PAYMENT CHARGES	3,867,519	(10,013)	3,857,505	-	3,857,505	Variance reflects trend in this account and is based on a historic average.
14	451	ELECTRIC SERVICE REVENUES	2,067,117	41,164	2,108,282	-	2,108,282	Variance reflects trend in this account and is based on a historic average.
15	454	RENT FROM ELECTRIC PROPERTY	3,062,378	80,267	3,142,645	-	3,142,645	Variance reflects trend in this account and is based on a historic average.
16	456	OTHER MISCELLANEOUS REVENUE	19,028,461	3,309,599	22,338,060	-	22,338,060	Variance reflects increase in transmission revenues.
17		TOTAL OTHER OPERATING REVENUES	28,025,475	3,421,017	31,446,492	-	31,446,492	
18		TOTAL OPERATING REVENUES	1,439,714,075	47,145,416	1,486,590,505	(1,263,064)	1,485,327,441	

KENTUCKY UTILITIES COMPANY

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WITNESS: C. M. GARRETT

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$	\$	\$	\$	\$	
19		OPERATING EXPENSES						
20		<u>OPERATION AND MAINTENANCE EXPENSES:</u>						
21		<u>STEAM GENERATION:</u>						
22	500	STEAM OPERATION SUPERVISION AND ENGINEERING	8,101,455	1,341,246	9,442,701	-	9,442,701	Increases due to labor in FERC 500 in the test period but charged to FERC 513 and 514 in base year and lower labor costs in the base period due to vacancies.
23	501	FUEL	398,457,275	(25,835,616)	372,621,659	-	372,621,659	Variance in fuel is due to the pro forma adjustment. Increases in Other Fuel and Purchased Power below are largely offset through the FAC pro forma adjustment.
24	502	STEAM EXPENSES	14,810,122	706,306	15,516,429	-	15,516,429	Increased costs for water treatment chemicals.
25	504	STEAM TRANSFERRED-CREDIT	-	-	-	-	-	
26	505	ELECTRIC EXPENSES	6,935,518	278,870	7,214,388	-	7,214,388	Labor increases for Trimble County 2.
27	506	MISC STEAM POWER EXPENSES	13,723,605	720,986	14,444,590	-	14,444,590	Increased Title V environmental fees.
28	507	RENTS	10,441	(10,441)	-	-	-	- Item not budgeted in forecast period due to immateriality.
29	509	ALLOWANCES	1	(1)	-	-	-	- Item not budgeted in forecast period due to immateriality.
30	510	MAINTENANCE SUPERVISION AND ENGINEERING	8,276,917	1,984,833	10,261,750	-	10,261,750	Forecasted test year labor for Trimble County budgeted to FERC 510 instead of FERC 511.
31	511	MAINTENANCE OF STRUCTURES	7,991,561	(2,031,674)	5,959,887	-	5,959,887	Forecasted test period labor for Trimble County budgeted to FERC 510 instead of FERC 511.
32	512	MAINTENANCE OF BOILER PLANT	33,880,339	6,305,803	40,186,143	-	40,186,143	Major planned generator overhauls in forecasted test period for Trimble County unit 2 and EW Brown Units .
33	513	MAINTENANCE OF ELECTRIC PLANT	8,837,402	(567,369)	8,270,033	-	8,270,033	Decreases due to labor charged to account 513 in the base period but included in FERC 500 for the test year, offset by major planned turbine overhauls in forecasted test period for EW Brown Units.
34	514	MAINTENANCE OF MISC STEAM PLANT	2,680,328	(240,806)	2,439,522	-	2,439,522	Decreases due to labor charged to account 514 in the base period but included in FERC 500 for the test year.
35		TOTAL STEAM GENERATION	503,704,963	(17,347,862)	486,357,102	-	486,357,102	
36		<u>HYDRAULIC GENERATION:</u>						
37	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	
38	536	WATER FOR POWER	-	-	-	-	-	
39	537	HYDRAULIC EXPENSES	-	-	-	-	-	
40	538	ELECTRIC EXPENSES	-	-	-	-	-	

KENTUCKY UTILITIES COMPANY

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WITNESS: C. M. GARRETT

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$	\$	\$	\$	\$	
41	539	MISC HYDRAULIC POWER GENERATION EXPENSES	19,732	(11,209)	8,523	-	8,523	Customary changes in the ordinary course of business.
42	540	RENTS	-	-	-	-	-	
43	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	106,143	80,351	186,494	-	186,494	Customary changes in the ordinary course of business.
44	542	MAINTENANCE OF STRUCTURES	158,251	(41,350)	116,901	-	116,901	Customary changes in the ordinary course of business.
45	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	22,497	22,497	-	22,497	Customary changes in the ordinary course of business.
46	544	MAINTENANCE OF ELECTRIC PLANT	57,278	(24,248)	33,030	-	33,030	Customary changes in the ordinary course of business.
47	545	MAINTENANCE OF MISC HYDRAULIC PLANT	4,994	4,598	9,592	-	9,592	Customary changes in the ordinary course of business.
48		TOTAL HYDRAULIC GENERATION	<u>346,397</u>	<u>30,640</u>	<u>377,036</u>	-	<u>377,036</u>	
49		<u>OTHER GENERATION:</u>						
50	546	OTHER OPERATION SUPERVISION AND ENGINEERING	1,105,064	(33,669)	1,071,395	-	1,071,395	Customary changes in the ordinary course of business.
51	547	OTHER FUEL	103,453,900	27,315,742	130,769,641	-	130,769,641	Variance in other fuel is largely offset through the FAC pro forma adjustment.
52	548	GENERATION EXPENSES	423,729	187,578	611,306	-	611,306	Minor consumables (grease, oil, etc), small tools and equipment analysis needed for operation of Cane Run 7.
53	549	MISC OTHER POWER GENERATION EXPENSES	3,143,830	495,222	3,639,052	-	3,639,052	Operating cost increases for Cane Run 7 (items still covered under warranty in base year)
54	550	RENTS	22,367	(17,946)	4,421	-	4,421	Customary changes in the ordinary course of business.
55	551	MAINTENANCE SUPERVISION AND ENGINEERING	356,724	(99,525)	257,199	-	257,199	Customary changes in the ordinary course of business.
56	552	MAINTENANCE OF STRUCTURES	863,138	817,584	1,680,721	-	1,680,721	Major planned overhaul in forecasted test period for Cane Run 7.
57	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	3,279,061	1,616,334	4,895,395	-	4,895,395	Major planned overhaul in forecasted test period for EW Brown Unit 6 and unit 11.
58	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	3,921,545	1,217,670	5,139,215	-	5,139,215	Maintenance increases for Cane Run 7 (items still covered under warranty in base year).
59		TOTAL OTHER GENERATION	<u>116,569,357</u>	<u>31,498,990</u>	<u>148,068,346</u>	-	<u>148,068,346</u>	
60		<u>OTHER POWER SUPPLY:</u>						
61	555	PURCHASED POWER	37,256,793	13,362,513	50,619,306	-	50,619,306	Variance is due primarily to an increase in intercompany purchased power from LG&E. Variance is largely offset through the FAC pro forma adjustment.

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CASE NO. 2016-00370

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$	\$	\$	\$	\$	
62	556	SYSTEM CONTROL AND LOAD DISPATCHING	1,685,472	179,246	1,864,717	-	1,864,717	Variance is based on three headcount moved into Power Supply department (charging FERC 556), one headcount from Economic Analysis (previously charging FERC 920) and two from Generation Planning (previously charging FERC 500).
63	557	OTHER EXPENSES	(4,814)	15,183	10,369	-	10,369	Base period included a reclassification of costs to Account 502 and Account 506.
64		TOTAL OTHER POWER SUPPLY	38,937,451	13,556,942	52,494,393	-	52,494,393	
65		TOTAL PRODUCTION EXPENSES	659,558,167	27,738,710	687,296,877	-	687,296,877	
66		<u>TRANSMISSION EXPENSES:</u>						
67	560	TRANS OPERATION SUPERVISION AND ENGINEERING	1,474,085	330,220	1,804,305	-	1,804,305	Higher percentage of Protection and Control labor charged to O&M than capital in the Forecasted Period for relay settings work.
68	561	LOAD DISPATCHING	3,642,819	1,233	3,644,052	-	3,644,052	Customary changes in the ordinary course of business based on specific work scheduled in a given period charged in accordance with the Transmission Coordination Agreement inclusive of wage and cost inflation.
69	562	STATION EXPENSES	1,224,837	78,461	1,303,298	-	1,303,298	Customary changes in the ordinary course of business based on specific work scheduled in a given period charged in accordance with the Transmission Coordination Agreement inclusive of wage and cost inflation.
70	563	OVERHEAD LINE EXPENSES	534,566	524,427	1,058,993	-	1,058,993	Variance primarily due to enhanced wood and steel pole/tower inspection program, as well as higher aerial patrol expense.
71	564	UNDERGROUND LINE EXPENSES	-	-	-	-	-	
72	565	TRANSMISSION OF ELECTRICITY BY OTHERS	2,576,941	363,508	2,940,449	-	2,940,449	Variance is reflective of the transmission of power to serve native load and make off-system sales per the generation forecast.
73	566	MISC TRANSMISSION EXPENSES	10,667,746	1,280,825	11,948,572	-	11,948,572	Variance is primarily due to Transmission depancaking expenses for former Municipal customers, KMPA, and OMU.
74	567	RENTS	133,196	(21,192)	112,005	-	112,005	Customary changes in the ordinary course of business.
75	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	
76	569	MAINTENANCE OF STRUCTURES	-	-	-	-	-	
77	570	MAINTENANCE OF STATION EQUIPMENT	1,670,892	315,515	1,986,407	-	1,986,407	Customary changes in the ordinary course of business based on specific work scheduled in a given period charged in accordance with the Transmission Coordination Agreement inclusive of wage and cost inflation.

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$	\$	\$	\$	\$	
78	571	MAINTENANCE OF OVERHEAD LINES	5,285,944	5,284,887	10,570,832	-	10,570,832	Variance is driven by change to "Cycle" based line clearing, enhanced corrosion prevention and switch maintenance programs.
79	572	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	
80	573	MAINTENANCE OF MISC TRANSMISSION PLANT	303,890	33,209	337,099	-	337,099	Customary changes in the ordinary course of business.
81	575	MISO DAY 1 AND 2 EXPENSE	(327,118)	327,118	-	-	-	Reflects MISO regulatory liability amortization, which ended in December 2016.
82		TOTAL TRANSMISSION EXPENSES	27,187,799	8,518,211	35,706,011	-	35,706,011	
83		<u>DISTRIBUTION EXPENSES:</u>						
84	580	DISTR OPERATION SUPERVISION AND ENGINEERING	1,473,892	36,532	1,510,424	-	1,510,424	Customary changes in the ordinary course of business.
85	581	LOAD DISPATCHING	429,754	(88,700)	341,053	-	341,053	Customary changes in the ordinary course of business.
86	582	STATION EXPENSES	1,956,283	(157,737)	1,798,545	-	1,798,545	Decrease is due to Substation actuals being charged to 582 Preventative Maintenance, but budgeted to 592 Corrective Maintenance in the test year.
87	583	OVERHEAD LINE EXPENSES	5,437,721	(731,404)	4,706,317	-	4,706,317	Decrease is due to Trouble Order work across the various KU Operations Centers. The nature of this type of work varies from year to year.
88	584	UNDERGROUND LINE EXPENSES	-	-	-	-	-	Customary changes in the ordinary course of business.
89	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	-	-	-	-	
90	586	METER EXPENSES	7,320,550	1,428,633	8,749,183	-	8,749,183	Increase is due primarily to Advanced Meter System project expenses associated with removing, shipping, tracking and testing the existing meters that are being removed.
91	587	CUSTOMER INSTALLATIONS EXPENSES	(55,025)	(87,775)	(142,800)	-	(142,800)	Customary changes in the ordinary course of business.
92	588	MISC DISTRIBUTION EXPENSES	5,738,655	1,004,518	6,743,173	-	6,743,173	Increase is due to several factors: there is additional restoration coordinator labor expense associated with the Distribution Automation project; IT maintenance costs for Distribution systems previously charged to FERC 923 switched to FERC 588; substation expenses are higher.
93	589	RENTS	6,590	(6,590)	-	-	-	Customary changes in the ordinary course of business.
94	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	16,492	40,957	57,449	-	57,449	Customary changes in the ordinary course of business.
95	591	MAINTENANCE OF STRUCTURES	-	-	-	-	-	
96	592	MAINTENANCE OF STATION EQUIPMENT	1,107,166	179,526	1,286,692	-	1,286,692	Increase is primarily driven by storms, the test year is based on a 10-year average. Increase also due to Substation actuals being charged to 582 Preventative Maintenance, but budgeted to 592 Corrective Maintenance in the test year.

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			\$	\$	\$	\$	\$	
97	593	MAINTENANCE OF OVERHEAD LINES	28,577,697	1,661,518	30,239,215	-	30,239,215	Increase is due to storms (10 year average used in test year higher than the base year actuals) and higher costs for repair defective equipment and street lighting expenses across the KU Operations Centers (the nature of this work varies from year to year).
98	594	MAINTENANCE OF UNDERGROUND LINES	448,243	342,257	790,500	-	790,500	Increase is due to Trouble Order work across the various KU Operations Centers and repair of defective equipment. The nature of both these types of work varies from year to year.
99	595	MAINTENANCE OF LINE TRANSFORMERS	101,431	(5,100)	96,331	-	96,331	Customary changes in the ordinary course of business.
100	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	-	-	-	-	Customary changes in the ordinary course of business.
101	597	MAINTENANCE OF METERS	-	1,371,953	1,371,953	-	1,371,953	Test year includes Advanced Meter System expenses associated with repairs to the customer-owned bases of the meters that are attached to the customer's property.
102	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	398,311	152,003	550,314	-	550,314	Increase is due to higher storm costs and buildings and grounds costs in the test year.
103		TOTAL DISTRIBUTION EXPENSES	52,957,759	5,140,590	58,098,349	-	58,098,349	
104		<u>CUSTOMER ACCOUNTS EXPENSES:</u>						
105	901	CUSTOMER ACCTS SUPERVISION	3,310,653	320,900	3,631,554	-	3,631,554	The base year is lower than the test year due primarily to vacancies.
106	902	METER READING EXPENSES	5,091,007	210,475	5,301,482	-	5,301,482	Contractor expense is higher due to a floater position assumed in the test year to cover the widespread territory and higher headcount for an incremental team leader position.
107	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	17,760,070	2,407,401	20,167,471	-	20,167,471	The increase is due to the new Advanced Meter System program, CCS/SAP implementation costs, higher postage costs, higher software maintenance costs (previously charged to FERC 923). In addition, the base year is lower than the test year for labor vacancies.
108	904	UNCOLLECTIBLE ACCOUNTS	3,084,522	2,481,635	5,566,157	-	5,566,157	Actual bad debt expense in the base year is less than the 5-year average ratio (0.35% of revenues) used in the budget/test year.
109	905	MISC CUSTOMER ACCOUNTS EXPENSE	1,982	(1,982)	-	-	-	Customary changes in the ordinary course of business.
110		TOTAL CUSTOMER ACCOUNTS EXPENSES	29,248,235	5,418,428	34,666,664	-	34,666,664	
111		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES:</u>						
112	907	CUSTOMER SERVICE AND INFO SUPERVISION	572,117	79,308	651,425	-	651,425	Customary changes in the ordinary course of business.
113	908	CUSTOMER ASSISTANCE EXPENSES	546,873	(96,822)	450,051	-	450,051	Customary changes in the ordinary course of business.

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			\$	\$	\$	\$	\$	
114	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	449,663	(59,819)	389,845	-	389,845	Customary changes in the ordinary course of business.
115	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	1,645,302	215,725	1,861,027	-	1,861,027	Increase is due primarily to costs associated with the Advanced Meter System expenses, higher transmission system impact studies and customer notifications.
116		TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	3,213,955	138,393	3,352,348	-	3,352,348	
117		<u>SALES EXPENSES:</u>						
118	911	SALES SUPERVISION	-	-	-	-	-	
119	912	DEMONSTRATING AND SELLING EXPENSES	-	-	-	-	-	
120	913	ADVERTISING EXPENSES	782,367	11,851	794,217	(794,217)	-	Expenses are removed from net operating income in setting base rates.
121	916	MISC SALES EXPENSES	-	-	-	-	-	
122		TOTAL SALES EXPENSES	782,367	11,851	794,217	(794,217)	-	
123		<u>ADMINISTRATIVE AND GENERAL EXPENSES:</u>						
124	920	ADMINISTRATIVE AND GENERAL SALARIES	31,146,796	2,662,436	33,809,232	-	33,809,232	Variance reflects changes in headcount, wage inflation, and less allocated to capital in 2018.
125	921	OFFICE SUPPLIES AND EXPENSES	6,091,118	1,177,985	7,269,104	-	7,269,104	Variance reflects increases in telecommunications expense for cellular refresh and bank fees.
126	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	(4,867,521)	453,255	(4,414,266)	-	(4,414,266)	This account is credited for a portion of expenses in 920 and 921 accounts that are transferred to construction costs. It reflects the cost increases above and the level of construction activity.
127	923	OUTSIDE SERVICES	15,608,349	3,524,864	19,133,213	-	19,133,213	Variance reflects higher level of contracted support for customer service initiatives and legal counsel.
128	924	PROPERTY INSURANCE	5,425,907	117,962	5,543,869	-	5,543,869	Customary changes in the ordinary course of business.
129	925	INJURIES AND DAMAGES	3,655,293	248,799	3,904,092	-	3,904,092	Customary changes in the ordinary course of business.
130	926	EMPLOYEE PENSION AND BENEFITS	33,224,437	5,687,669	38,912,106	-	38,912,106	Variance reflects higher pension expense due to a decrease in the discount rate and higher medical costs.
131	927	FRANCHISE REQUIREMENTS	-	-	-	-	-	
132	928	REGULATORY COMMISSION EXPENSES	1,126,689	673,618	1,800,307	-	1,800,307	Forecasted period reflects rate case expense amortization for the 2014 and 2016 cases.
133	929	DUPLICATE CHARGES--CREDIT	-	-	-	-	-	

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017 AND FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE D-1

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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD JURISDICTIONAL	JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD	FORECASTED PERIOD JURISDICTIONAL	JURISDICTIONAL PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD (Note 1)	PRO FORMA FORECASTED PERIOD JURISDICTIONAL	DESCRIPTION OF JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (Note 2)
			(1)	(2)	(3)	(4)	(5)	(6)
			\$	\$	\$	\$	\$	
134	930.1	GENERAL ADVERTISING EXPENSES	4,187	39,712	43,898	(43,898)		Expenses are removed from net operating income in setting - base rates.
135	930.2	MISC GENERAL EXPENSES	4,593,123	560,240	5,153,364	-	5,153,364	The increase is due to R&D amortization.
136	931	RENTS	1,887,047	(55,913)	1,831,134	-	1,831,134	Customary changes in the ordinary course of business.
137	935	MAINTENANCE OF GENERAL PLANT	823,979	49,741	873,720	-	873,720	Variance is driven by lower labor costs.
138		TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	<u>98,719,404</u>	<u>15,140,369</u>	<u>113,859,773</u>	<u>(43,898)</u>	<u>113,815,874</u>	
139		TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>871,667,687</u>	<u>62,106,551</u>	<u>933,774,239</u>	<u>(838,116)</u>	<u>932,936,123</u>	
140	403-404	DEPRECIATION AND AMORTIZATION	185,575,950	42,486,887	228,062,837	-	228,062,837	Variance is due to increase in plant-in-service and higher proposed depreciation rates.
141	407.3	REGULATORY DEBITS	-	-	-	-	-	
142	408	TAXES OTHER THAN INCOME TAXES	34,565,582	3,255,293	37,820,875	-	37,820,875	Variance is primarily due to increase in net utility plant.
143	409-411	FEDERAL INCOME TAXES	88,329,271	(15,536,716)	72,792,555	(140,166)	72,652,389	Variance is due to changes in pre-tax income and Solar ITC credit recognized in the base period offset below. See Schedule E.
144	409-411	STATE INCOME TAXES	15,607,719	(4,232,385)	11,375,334	(24,474)	11,350,860	Variance is due to changes in pre-tax income. See Schedule E.
145	411.4	INVESTMENT TAX CREDIT	4,091,851	(4,091,851)	-	-	-	Variance is due to Solar ITC credit recognized in base period offset above in federal income taxes; amortization charged - below-the-line.
146	411.8	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	-	-	-	-	-	
147		TOTAL OPERATING EXPENSES	<u>1,199,838,060</u>	<u>83,987,780</u>	<u>1,283,825,840</u>	<u>(1,002,756)</u>	<u>1,282,823,084</u>	
148		NET OPERATING INCOME	<u>239,876,015</u>	<u>(36,842,364)</u>	<u>202,764,666</u>	<u>(260,308)</u>	<u>202,504,357</u>	

Note 1 - See Schedule D-2.1 and testimony for a descriptions of the adjustments.

Note 2 - In general, these adjustments represent variances between the Base Period and the end of the Forecasted Period.

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHEDULE WPD-2

SCHEDULE D-2
PAGE 1 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	ADJ 1	ADJ 2	ADJ 3	ADJ 4	ADJ 5	TOTAL ADJUSTMENTS	JURIS. PERCENT	JURISDICTIONAL ADJUSTMENTS
			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
1		<u>OPERATING REVENUES</u>								
2		<u>SALES OF ELECTRICITY:</u>								
3	440	RESIDENTIAL	(19,930,240)	(53,612,751)	26,776,068	261,197	-	(46,505,726)	100.000%	(46,505,726)
4	442.2	COMMERCIAL	(4,405,080)	(40,495,387)	17,635,061	179,048	-	(27,086,358)	100.000%	(27,086,358)
5	442.3	INDUSTRIAL	(335,429)	(38,017,571)	30,327,001	308,954	-	(7,717,045)	100.000%	(7,717,045)
6	444	PUBLIC STREET AND HIGHWAY LIGHTING	(2,599)	(1,122,684)	198,914	2,014	-	(924,355)	100.000%	(924,355)
7	445	OTHER SALES TO PUBLIC AUTHORITIES	(1,142,662)	(12,655,209)	7,181,391	77,243	-	(6,539,237)	100.000%	(6,539,237)
8		TOTAL SALES TO ULTIMATE CONSUMERS	(25,816,011)	(145,903,601)	82,118,434	828,457	-	(88,772,721)		(88,772,721)
9	447	SALES FOR RESALE	-	-	-	(7,385,732)	-	(7,385,732)	87.998%	(6,499,268)
10	449.1	PROVISION FOR RATE REFUNDS	-	-	-	-	-	-		-
11		TOTAL SALES OF ELECTRICITY	(25,816,011)	(145,903,601)	82,118,434	(6,557,275)	-	(96,158,452)		(95,271,989)
12		<u>OTHER OPERATING REVENUES:</u>								
13	450	LATE PAYMENT CHARGES	-	-	-	-	-	-	96.245%	-
14	451	ELECTRIC SERVICE REVENUES	-	-	-	-	-	-	94.430%	-
15	454	RENT FROM ELECTRIC PROPERTY	-	-	-	-	-	-	90.113%	-
16	456	OTHER MISCELLANEOUS REVENUE	-	-	-	-	-	-	95.198%	-
17		TOTAL OTHER OPERATING REVENUES	-	-	-	-	-	-		-
18		TOTAL OPERATING REVENUES	(25,816,011)	(145,903,601)	82,118,434	(6,557,275)	-	(96,158,452)		(95,271,989)
19		<u>OPERATING EXPENSES</u>								
20		<u>OPERATION AND MAINTENANCE EXPENSES:</u>								
21		<u>STEAM GENERATION:</u>								
22	500	STEAM OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	88.449%	-
23	501	FUEL	-	(221,448)	80,697,522	(3,784,150)	-	76,691,925	100.627%	77,172,692
24	502	STEAM EXPENSES	-	(4,241,354)	-	(83,495)	-	(4,324,848)	87.073%	(3,765,772)
25	504	STEAM TRANSFERRED-CREDIT	-	-	-	-	-	-	87.073%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: __X__ BASE PERIOD ____ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S): SCHEDULE WPD-2

SCHEDULE D-2
PAGE 2 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	ADJ 1	ADJ 2	ADJ 3	ADJ 4	ADJ 5	TOTAL ADJUSTMENTS	JURIS. PERCENT	JURISDICTIONAL ADJUSTMENTS
			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
26	505	ELECTRIC EXPENSES	-	-	-	-	-	-	87.126%	-
27	506	MISC STEAM POWER EXPENSES	-	(16,106,168)	-	(111,003)	-	(16,217,171)	87.055%	(14,117,922)
28	507	RENTS	-	-	-	-	-	-	87.008%	-
29	509	ALLOWANCES	-	(4,980)	-	-	-	(4,980)	87.008%	(4,333)
30	510	MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.110%	-
31	511	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	87.136%	-
32	512	MAINTENANCE OF BOILER PLANT	-	(4,098,025)	-	-	-	(4,098,025)	88.021%	(3,607,110)
33	513	MAINTENANCE OF ELECTRIC PLANT	-	-	-	-	-	-	88.020%	-
34	514	MAINTENANCE OF MISC STEAM PLANT	-	-	-	-	-	-	89.401%	-
35		TOTAL STEAM GENERATION	-	(24,671,974)	80,697,522	(3,978,647)	-	52,046,901		55,677,556
36		<u>HYDRAULIC GENERATION:</u>								
37	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.494%	-
38	536	WATER FOR POWER	-	-	-	-	-	-	87.494%	-
39	537	HYDRAULIC EXPENSES	-	-	-	-	-	-	87.494%	-
40	538	ELECTRIC EXPENSES	-	-	-	-	-	-	87.494%	-
41	539	MISC HYDRAULIC POWER GENERATION EXPENSES	-	-	-	-	-	-	87.494%	-
42	540	RENTS	-	-	-	-	-	-	87.494%	-
43	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.494%	-
44	542	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	87.494%	-
45	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	-	-	-	-	-	87.494%	-
46	544	MAINTENANCE OF ELECTRIC PLANT	-	-	-	-	-	-	87.998%	-
47	545	MAINTENANCE OF MISC HYDRAULIC PLANT	-	-	-	-	-	-	87.494%	-
48		TOTAL HYDRAULIC GENERATION	-	-	-	-	-	-		-
49		<u>OTHER GENERATION:</u>								
50	546	OTHER OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.277%	-
51	547	OTHER FUEL	-	-	-	(912,485)	-	(912,485)	87.998%	(802,965)
52	548	GENERATION EXPENSES	-	-	-	-	-	-	87.277%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHEDULE WPD-2

SCHEDULE D-2
PAGE 3 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	ADJ 1	ADJ 2	ADJ 3	ADJ 4	ADJ 5	TOTAL ADJUSTMENTS	JURIS. PERCENT	JURISDICTIONAL ADJUSTMENTS
			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
53	549	MISC OTHER POWER GENERATION EXPENSES	-	-	-	-	-	-	87.277%	-
54	550	RENTS	-	-	-	-	-	-	87.277%	-
55	551	MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.277%	-
56	552	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	87.277%	-
57	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	-	-	-	-	-	-	87.277%	-
58	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	-	-	-	-	-	-	87.277%	-
59		TOTAL OTHER GENERATION	-	-	-	(912,485)	-	(912,485)		(802,965)
60		<u>OTHER POWER SUPPLY:</u>								
61	555	PURCHASED POWER	-	-	-	(717,086)	-	(717,086)	87.946%	(630,648)
62	556	SYSTEM CONTROL AND LOAD DISPATCHING	-	-	-	-	-	-	87.714%	-
63	557	OTHER EXPENSES	-	-	-	(7,729)	-	(7,729)	87.055%	(6,729)
64		TOTAL OTHER POWER SUPPLY	-	-	-	(724,815)	-	(724,815)		(637,377)
65		TOTAL PRODUCTION EXPENSES	-	(24,671,974)	80,697,522	(5,615,947)	-	50,409,601		54,237,214
66		<u>TRANSMISSION EXPENSES:</u>								
67	560	TRANS OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	89.811%	-
68	561	LOAD DISPATCHING	-	-	-	-	-	-	89.811%	-
69	562	STATION EXPENSES	-	-	-	-	-	-	89.811%	-
70	563	OVERHEAD LINE EXPENSES	-	-	-	-	-	-	89.811%	-
71	564	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	89.811%	-
72	565	TRANSMISSION OF ELECTRICITY BY OTHERS	-	-	-	(502,027)	-	(502,027)	89.811%	(450,876)
73	566	MISC TRANSMISSION EXPENSES	-	-	-	-	-	-	89.811%	-
74	567	RENTS	-	-	-	-	-	-	89.811%	-
75	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	89.811%	-
76	569	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	89.811%	-
77	570	MAINTENANCE OF STATION EQUIPMENT	-	-	-	-	-	-	89.811%	-
78	571	MAINTENANCE OF OVERHEAD LINES	-	-	-	-	-	-	89.943%	-
79	572	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	-	89.811%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHEDULE WPD-2

SCHEDULE D-2
PAGE 4 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	ADJ 1	ADJ 2	ADJ 3	ADJ 4	ADJ 5	TOTAL ADJUSTMENTS	JURIS. PERCENT	JURISDICTIONAL ADJUSTMENTS
			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
80	573	MAINTENANCE OF MISC TRANSMISSION PLANT	-	-	-	-	-	-	89.811%	-
81	575	MISO DAY 1 AND 2 EXPENSE	-	-	-	-	-	-	100.191%	-
82		TOTAL TRANSMISSION EXPENSES	-	-	-	(502,027)	-	(502,027)		(450,876)
83		<u>DISTRIBUTION EXPENSES:</u>								
84	580	DISTR OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	94.390%	-
85	581	LOAD DISPATCHING	-	-	-	-	-	-	93.670%	-
86	582	STATION EXPENSES	-	-	-	-	-	-	93.670%	-
87	583	OVERHEAD LINE EXPENSES	-	-	-	-	-	-	92.726%	-
88	584	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	97.564%	-
89	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	-	-	-	-	-	96.842%	-
90	586	METER EXPENSES	-	-	-	-	-	-	94.294%	-
91	587	CUSTOMER INSTALLATIONS EXPENSES	-	-	-	-	-	-	96.842%	-
92	588	MISC DISTRIBUTION EXPENSES	-	-	-	-	-	-	94.390%	-
93	589	RENTS	-	-	-	-	-	-	94.390%	-
94	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	94.390%	-
95	591	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	93.670%	-
96	592	MAINTENANCE OF STATION EQUIPMENT	-	-	-	-	-	-	93.670%	-
97	593	MAINTENANCE OF OVERHEAD LINES	-	-	-	-	-	-	92.688%	-
98	594	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	-	97.564%	-
99	595	MAINTENANCE OF LINE TRANSFORMERS	-	-	-	-	-	-	95.798%	-
100	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	-	-	-	-	-	96.842%	-
101	597	MAINTENANCE OF METERS	-	-	-	-	-	-	94.294%	-
102	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	-	-	-	-	-	-	94.390%	-
103		TOTAL DISTRIBUTION EXPENSES	-	-	-	-	-	-		-
104		<u>CUSTOMER ACCOUNTS EXPENSES:</u>								
105	901	CUSTOMER ACCTS SUPERVISION	-	-	-	-	-	-	94.900%	-
106	902	METER READING EXPENSES	-	-	-	-	-	-	94.900%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHEDULE WPD-2

SCHEDULE D-2
PAGE 5 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	ADJ 1	ADJ 2	ADJ 3	ADJ 4	ADJ 5	TOTAL ADJUSTMENTS	JURIS. PERCENT	JURISDICTIONAL ADJUSTMENTS
			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
107	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	-	-	-	-	-	-	94.900%	-
108	904	UNCOLLECTIBLE ACCOUNTS	-	-	-	-	-	-	94.900%	-
109	905	MISC CUSTOMER ACCOUNTS EXPENSE	-	-	-	-	-	-	94.900%	-
110		TOTAL CUSTOMER ACCOUNTS EXPENSES	-	-	-	-	-	-		-
111		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES:</u>								
112	907	CUSTOMER SERVICE AND INFO SUPERVISION	-	-	-	-	-	-	99.709%	-
113	908	CUSTOMER ASSISTANCE EXPENSES	(20,186,961)	-	-	-	-	(20,186,961)	100.000%	(20,186,961)
114	909	INFORMATIONAL AND STRUCTURAL ADVERTISING EXP	-	-	-	-	-	-	94.849%	-
115	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	-	-	-	-	-	-	99.885%	-
116		TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	(20,186,961)	-	-	-	-	(20,186,961)		(20,186,961)
117		<u>SALES EXPENSES:</u>								
118	911	SALES SUPERVISION	-	-	-	-	-	-	99.709%	-
119	912	DEMONSTRATING AND SELLING EXPENSES	-	-	-	-	-	-	94.849%	-
120	913	ADVERTISING EXPENSES	-	-	-	-	-	-	94.849%	-
121	916	MISC SALES EXPENSES	-	-	-	-	-	-	94.849%	-
122		TOTAL SALES EXPENSES	-	-	-	-	-	-		-
123		<u>ADMINISTRATIVE AND GENERAL EXPENSES:</u>								
124	920	ADMINISTRATIVE AND GENERAL SALARIES	-	-	-	-	-	-	90.298%	-
125	921	OFFICE SUPPLIES AND EXPENSES	-	-	-	-	-	-	90.298%	-
126	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	-	-	-	-	-	-	90.298%	-
127	923	OUTSIDE SERVICES	-	(28,126)	-	-	-	(28,126)	90.298%	(25,397)
128	924	PROPERTY INSURANCE	-	-	-	-	-	-	88.794%	-
129	925	INJURIES AND DAMAGES	-	-	-	-	-	-	90.303%	-
130	926	EMPLOYEE PENSION AND BENEFITS	-	-	-	-	-	-	88.789%	-
131	927	FRANCHISE REQUIREMENTS	-	-	-	-	-	-	0.000%	-
132	928	REGULATORY COMMISSION EXPENSES	-	-	-	-	-	-	95.779%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S): SCHEDULE WPD-2

SCHEDULE D-2
PAGE 6 OF 12
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	ADJ 1	ADJ 2	ADJ 3	ADJ 4	ADJ 5	TOTAL ADJUSTMENTS	JURIS. PERCENT	JURISDICTIONAL ADJUSTMENTS
			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
133	929	DUPLICATE CHARGES--CREDIT	-	-	-	-	-	-	0.000%	-
134	930.1	GENERAL ADVERTISING EXPENSES	-	-	-	-	-	-	95.110%	-
135	930.2	MISC GENERAL EXPENSES	-	-	-	-	-	-	90.494%	-
136	931	RENTS	-	-	-	-	-	-	90.298%	-
137	935	MAINTENANCE OF GENERAL PLANT	-	-	-	-	-	-	90.298%	-
138		TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	-	(28,126)	-	-	-	(28,126)		(25,397)
139		TOTAL OPERATION AND MAINTENANCE EXPENSES	(20,186,961)	(24,700,100)	80,697,522	(6,117,974)	-	29,692,488		33,573,981
140	403-404	DEPRECIATION AND AMORTIZATION	(406,180)	(26,677,148)	-	-	-	(27,083,328)	87.898%	(23,805,829)
141	407.3	REGULATORY DEBITS	-	(237,547)	-	-	-	(237,547)	96.990%	(230,398)
142	408	TAXES OTHER THAN INCOME TAXES	-	(1,762,952)	-	-	-	(1,762,952)	90.213%	(1,590,405)
143	409-411	FEDERAL INCOME TAXES	(1,722,725)	(30,518,991)	468,677	(144,900)	5,831,815	(26,086,124)	CALC	(28,214,342)
144	409-411	STATE INCOME TAXES	(300,799)	(5,328,817)	81,834	(25,301)	1,018,273	(4,554,809)	CALC	(4,926,410)
145	411.4	INVESTMENT TAX CREDIT	-	-	-	-	-	-	88.928%	-
146	411.8	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	-	81	-	-	-	81	100.000%	81
147		TOTAL OPERATING EXPENSES	(22,616,664)	(89,225,474)	81,248,034	(6,288,175)	6,850,089	(30,032,191)		(25,193,322)
148		NET OPERATING INCOME	(3,199,346)	(56,678,127)	870,401	(269,101)	(6,850,089)	(66,126,262)		(70,078,667)

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS WORKPAPER
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X_ BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X_ UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE WPD-2
SHEET 1 OF 5

WITNESS: C. M. GARRETT

ADJ ID	Acct No.	Description	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual Jan-17	Actual Feb-17	TOTAL \$(000)
ADJ 1		DSM:													
DSM	440	440-RESIDENTIAL	1198.788	1141.496	1298.403	1502.314	2670.679	1347.446	2079.553	1370.548	1434.832	1768.717	1886.652	2230.812	19930.240
DSM	442.2	442-COMMERCIAL	157.690	275.615	274.266	269.977	578.507	353.056	548.571	417.088	374.729	328.436	347.108	480.036	4405.080
DSM	442.3	442-INDUSTRIAL	21.079	18.430	20.539	19.226	40.234	24.120	44.066	34.492	30.584	23.295	23.531	35.834	335.429
DSM	444	444-PUBLIC ST & HWY LIGHTING	0.113	0.156	0.176	0.140	0.231	0.140	0.284	0.265	0.261	0.237	0.249	0.347	2.599
DSM	445	445-OTHER PUBLIC AUTHORITIES	78.735	53.379	76.847	64.918	130.406	87.430	145.533	118.148	102.093	80.651	84.477	120.044	1142.662
		Total DSM Revenues	1456.406	1489.076	1670.230	1856.576	3420.056	1812.192	2818.007	1940.542	1942.499	2201.336	2342.017	2867.073	25816.011
DSM	908	908 - DSM PROGRAM EXP	1188.090	1197.825	1378.637	1577.125	2811.419	1546.482	2334.822	1583.619	1604.091	1906.016	1585.173	1473.660	20186.961
DSM	403-404	403 - DSM DEPRECIATION EXP	30.631	31.526	32.348	32.956	33.499	33.949	34.675	35.462	35.811	35.214	34.831	35.278	406.180
ADJ 2		ECR (Base and Factor):													
ECR	440	440-RESIDENTIAL	4138.333	3600.799	3560.899	4404.454	4884.222	5038.201	4249.120	3619.524	4228.436	5678.581	5369.412	4840.770	53612.751
ECR	442.2	442-COMMERCIAL	3141.104	3302.779	3318.808	3211.203	3316.584	3664.638	3568.766	3651.589	3656.919	3044.757	3162.459	3455.782	40495.387
ECR	442.3	442-INDUSTRIAL	3422.057	3834.055	3229.133	2942.670	2743.111	2972.129	3172.433	3543.850	3560.492	2721.250	2680.509	3195.881	38017.571
ECR	444	444-PUBLIC ST & HWY LIGHTING	93.317	114.601	89.558	79.585	90.816	80.229	94.760	105.200	111.152	75.894	86.418	101.153	1122.684
ECR	445	445-OTHER PUBLIC AUTHORITIES	1233.463	1076.076	1034.894	1004.753	895.722	1083.683	1134.581	1209.185	1130.946	873.819	941.188	1036.899	12655.209
		TOTAL ECR (Base and Factor)	12028.273	11928.309	11233.291	11642.666	11930.455	12838.880	12219.659	12129.348	12687.946	12394.301	12239.987	12630.485	145903.601
		ECR Expenses:													
ECR	407.3	407 - ECR CLOSURE COSTS	0.000	0.000	0.000	0.000	0.000	33.929	22.160	28.459	31.766	34.907	40.106	46.220	237.547
ECR	408	408 - ECR PROPERTY TAX	145.850	144.624	144.624	144.624	144.624	144.624	144.624	144.624	144.624	144.624	157.743	157.743	1762.952
ECR	411.8	411 - ECR GAIN-DISP OF ALLOW	(0.081)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.081)
ECR	501	501 - ECR STEAM FUEL EXP RECOVERABLE	7.595	18.290	(3.894)	28.010	22.766	25.446	19.108	30.416	18.367	26.355	13.947	15.042	221.448
ECR	502	502 - ECR BOILER EXPENSE	320.141	319.162	323.226	326.207	327.676	322.051	338.793	437.971	373.851	345.148	458.150	348.978	4241.354
ECR	506	506 - ECR ENVIRONMENTAL EXP	1180.766	1031.351	1147.433	1263.687	1647.250	1817.201	1394.779	1136.909	1241.289	1448.259	1370.771	1426.472	16106.168
ECR	509	509 - ECR SO2/NOX EMISSION ALLOWANCES	0.484	0.414	0.489	0.512	0.498	0.573	0.361	0.204	0.441	0.373	0.342	0.289	4.980
ECR	512	512 - ECR BOILER-ENVRNL	376.592	252.771	232.560	203.254	267.772	296.305	219.232	666.288	336.539	472.731	433.032	340.949	4098.025
ECR	549	549 - ECR MISC OTH PWR GEN EXP													0.000
		Total	2031.347	1766.612	1844.438	1966.295	2410.585	2640.128	2139.058	2444.871	2146.877	2472.397	2474.092	2335.693	26672.393
ECR	923	923-ECR Outside Services	0.000	0.000	3.668	0.000	0.000	0.000	16.519	0.000	0.000	0.000	7.939	0.000	28.126
ECR	403-404	ECR Depreciation Expense	2103.553	2104.349	2105.146	2105.146	2114.780	2135.127	2248.924	2351.997	2351.985	2351.985	2351.985	2352.171	26677.148
ADJ 3		FAC (excl Base Fuel):													
FAC	440	440-RESIDENTIAL	(2881.591)	(2087.844)	(2103.876)	(1940.709)	(2430.525)	(2648.434)	(2218.156)	(1616.779)	(2205.093)	(2983.029)	(2000.157)	(1659.875)	(26776.068)
FAC	442.2	442-COMMERCIAL	(1738.762)	(1569.403)	(1673.452)	(1189.649)	(1561.205)	(1841.597)	(1620.138)	(1412.236)	(1592.446)	(1398.173)	(1035.946)	(1002.053)	(17635.061)
FAC	442.3	442-INDUSTRIAL	(3427.333)	(2528.420)	(3210.893)	(1876.492)	(2324.122)	(3003.535)	(2514.811)	(2637.638)	(2958.068)	(2206.491)	(1726.651)	(1912.546)	(30327.001)
FAC	444	444-PUBLIC ST & HWY LIGHTING	(26.696)	(7.787)	(16.457)	(14.513)	(7.023)	(21.347)	(12.685)	(13.764)	(24.780)	(17.084)	(15.985)	(20.791)	(198.914)
FAC	445	445-OTHER PUBLIC AUTHORITIES	(717.569)	(528.476)	(800.896)	(445.899)	(609.140)	(787.518)	(611.602)	(584.692)	(663.147)	(495.815)	(467.568)	(469.070)	(7181.391)
		Total FAC (excl Base Fuel)	(8791.951)	(6721.929)	(7805.574)	(5467.262)	(6932.016)	(8302.431)	(6977.392)	(6265.110)	(7443.533)	(7100.593)	(5246.308)	(5064.335)	(82118.434)
FAC	501	Total FAC Expense	(9293.100)	(7879.319)	(8561.458)	(5436.627)	(4241.551)	(7410.068)	(6966.941)	(7951.012)	(8493.085)	(5738.445)	(3022.643)	(5703.274)	(80697.522)

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
JURISDICTIONAL ADJUSTMENTS WORKPAPER
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: __X__ BASE PERIOD ____ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S): _____

SCHEDULE WPD-2
SHEET 2 OF 5

WITNESS: C. M. GARRETT

ADJ ID	Acct No.	Description	Actual Mar-16	Actual Apr-16	Actual May-16	Actual Jun-16	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Actual Nov-16	Actual Dec-16	Actual Jan-17	Actual Feb-17	TOTAL \$(000)
ADJ 4		OSS:													
OSS	440	440-RESIDENTIAL	0.357	(12.716)	(6.130)	(6.325)	(21.735)	(27.885)	(53.434)	(61.109)	(6.914)	(44.089)	(16.751)	(4.467)	(261.197)
OSS	442.2	442-COMMERCIAL	0.179	(8.891)	(4.673)	(3.916)	(14.799)	(18.322)	(38.166)	(52.826)	(4.701)	(18.795)	(10.050)	(4.087)	(179.048)
OSS	442.3	442-INDUSTRIAL	(8.845)	(7.566)	(8.724)	(4.791)	(24.574)	(29.193)	(60.910)	(95.919)	(11.221)	(31.622)	(16.074)	(9.516)	(308.954)
OSS	444	444-PUBLIC ST & HWY LIGHTING	(0.110)	(0.063)	(0.001)	0.001	(0.130)	(0.130)	(0.294)	(0.539)	0.219	(0.379)	(0.446)	(0.145)	(2.014)
OSS	445	445-OTHER PUBLIC AUTHORITIES	(1.483)	(2.775)	(1.518)	(1.345)	(6.770)	(5.114)	(15.239)	(24.500)	(3.029)	(8.580)	(5.499)	(1.391)	(77.243)
		Total	<u>(9.902)</u>	<u>(32.012)</u>	<u>(21.045)</u>	<u>(16.375)</u>	<u>(68.007)</u>	<u>(80.643)</u>	<u>(168.043)</u>	<u>(234.893)</u>	<u>(25.646)</u>	<u>(103.464)</u>	<u>(48.820)</u>	<u>(19.605)</u>	<u>(828.457)</u>
OSS	447	447-OSS SALES FOR RESALE	45.958	309.117	250.721	447.582	886.011	758.410	955.369	1192.651	329.279	972.958	1176.862	60.815	7385.732
		OSS Expenses:													
OSS	501	501 Fuel Costs for External OSS	9.116	82.272	92.861	214.674	328.919	330.030	316.009	406.716	81.561	216.573	33.804	0.000	2112.536
OSS	547	547 Fuel Costs for External OSS	0.000	0.000	0.000	0.802	21.901	26.524	32.588	113.643	0.000	48.146	145.580	0.000	389.184
OSS	555	555 Purchased Power - OSS	1.051	2.278	2.046	12.443	22.676	11.504	14.408	3.600	2.552	(94.306)	0.316	0.000	(21.433)
OSS	501	501 Fuel Costs for Utility OSS	3.257	94.043	15.535	102.510	238.516	59.666	59.412	45.236	40.083	430.312	529.556	37.044	1655.170
OSS	547	547 Fuel Costs for Utility OSS	0.000	0.000	0.000	10.828	21.533	0.709	15.336	2.655	0.281	123.175	326.444	22.339	523.301
OSS	555	555 Purchased Power Costs - External OSS	17.799	57.645	75.845	20.333	51.962	111.141	169.234	102.393	106.737	18.662	6.767	0.000	738.519
OSS	565	565 Transmission - OSS External	0.034	0.133	1.388	5.964	(5.492)	0.405	0.575	0.565	0.100	0.239	0.167	0.019	4.098
OSS	565	565 Transmission - OSS Utility	2.238	16.127	23.292	34.204	62.802	65.155	60.695	122.790	33.279	51.738	25.611	0.000	497.929
OSS	557	557 RTO Costs - OSS External	(0.125)	0.921	(0.583)	2.233	4.069	5.332	4.527	7.347	0.995	1.748	2.735	(21.471)	7.729
OSS	502	502 ECR Consumables - OSS External	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OSS	506	506 ECR Consumables - OSS External	0.531	2.770	3.038	6.609	11.744	11.588	10.362	13.362	2.913	8.944	1.449	0.164	73.475
OSS	502	502 Other Consumables - OSS External	0.156	1.134	1.409	6.484	6.795	5.722	5.996	10.171	2.119	4.369	1.123	0.000	45.479
OSS	506	506 Other Consumables - OSS External	0.069	0.569	0.669	2.088	2.904	3.234	2.555	5.249	1.170	1.917	0.482	0.000	20.905
OSS	502	502 Other Consumables - OSS Utility	0.053	1.448	0.269	3.121	5.368	1.095	1.126	1.298	1.174	8.510	13.504	1.051	38.016
OSS	506	506 Other Consumables - OSS Utility	0.023	0.726	0.128	1.005	2.294	0.619	0.480	0.670	0.648	3.733	5.793	0.504	16.622
OSS	501	501 Inter-System Losses	0.138	0.697	0.844	1.239	2.123	2.357	2.646	3.117	0.934	1.418	0.931	0.000	16.444
		Total	<u>34.340</u>	<u>260.762</u>	<u>216.741</u>	<u>424.537</u>	<u>778.115</u>	<u>635.078</u>	<u>695.952</u>	<u>838.812</u>	<u>274.547</u>	<u>825.177</u>	<u>1094.263</u>	<u>39.650</u>	<u>6117.974</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
CALCULATION OF CURRENT TAX ADJUSTMENT FROM INTEREST SYNCHRONIZATION
FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017
FOR THE 12 MONTHS ENDED JUNE 30, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S)::

SCHEDULE WPD-2
SHEET 5 OF 5
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	WORKPAPER REFERENCE	BASE PERIOD	FORECASTED PERIOD
1	ADJUSTED JURISDICTIONAL CAPITALIZATION	J-1 , J-1.1/J-1.2	\$ 3,556,881,223	\$ 3,638,800,730
2	WEIGHTED COST OF DEBT	J-1 , J-1.1/J-1.2	<u>1.90%</u>	<u>1.84%</u>
3	INTEREST SYNCHRONIZATION		\$ 67,603,502	\$ 66,969,923
4	KENTUCKY JURISDICTIONAL INTEREST PER BOOKS (EXCLUDING OTHER INTEREST)		<u>85,284,105</u>	<u>86,095,344</u>
5	INTEREST SYNCHRONIZATION ADJUSTMENT (LINE 4 - 3)		\$ 17,680,603	\$ 19,125,421
6	COMPOSITE FEDERAL AND STATE TAX RATE	WPH-1.B	<u>38.7435%</u>	<u>38.7435%</u>
7	CURRENT TAX ADJUSTMENT FROM INTEREST SYNCHRONIZATION		<u>\$ 6,850,089</u>	<u>\$ 7,409,862</u>

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(e)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A jurisdictional federal and state income tax summary for both the base period and the forecasted period with all supporting schedules of the various components of jurisdictional income taxes.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE E

JURISDICTIONAL FEDERAL AND STATE INCOME TAX SUMMARY

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD: FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECASTED PERIOD: FOR THE 12 MONTHS ENDED JUNE 30, 2018

SCHEDULE

DESCRIPTION

E-1 ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES

E-2 DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAX

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPUTATION OF FEDERAL AND STATE INCOME TAX - JURISDICTIONAL
FOR THE BASE PERIOD TME FEBRUARY 28, 2017 AND FORECAST PERIOD TME JUNE 30, 2018

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-1
PAGE 1 OF 3

WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	AT CURRENT RATES					AT PROPOSED RATES	
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJUSTMENTS	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	FORECASTED PERIOD
		(1) \$	(2) \$	(3) \$	(4) \$	(5) \$	(6) \$	(7) \$
1	Operating Income Before Income Taxes	347,904,856	(60,972,301)	286,932,555	(424,948)	286,507,607	102,534,527	389,042,134
2	Interest Charges	67,603,502	(633,579)	66,969,923	0	66,969,923		66,969,923
3	Book Net Income before Income Tax & Credits	LN 1 - 2 280,301,354	(60,338,722)	219,962,632	(424,948)	219,537,684	102,534,527	322,072,211
4	Permanent Differences:							
5	Section 199 Manufacturing Deduction	0	0	0	0	0	0	0
6	Other Permanent Differences	146,728	(146,728)	0	0	0	0	0
7	Total Permanent Differences	LN 5+6 146,728	(146,728)	0	0	0	0	0
8	Temporary Differences:							
9	Bonus Depreciation	(160,728,477)	160,728,477	0	0	0	0	0
10	Excess of Tax over Book Depreciation	(56,737,090)	(165,331,436)	(222,068,526)	0	(222,068,526)	0	(222,068,526)
11	Federal Net Operating Loss	(11,205,970)	50,055,299	38,849,329	400,431	39,249,761	(96,589,250)	(57,339,489)
12	Other Temporary Differences	(54,131,657)	16,777,715	(37,353,942)	0	(37,353,942)	0	(37,353,942)
13	Total Temporary Differences	LN 9+10+11+12 (282,803,193)	62,230,055	(220,573,138)	400,431	(220,172,707)	(96,589,250)	(316,761,957)
14	Subtotal	(2,355,112)	1,744,605	(610,506)	(24,517)	(635,023)	5,945,277	5,310,254
15	Total State Tax Expense	LN 39 641,433	(40,395)	601,038	24,474	625,512	(5,935,765)	(5,310,253)
16	Federal Taxable Income	LN 14+15 (1,713,679)	1,704,210	(9,469)	(43)	(9,511)	9,513	1
17	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
18	Current Federal Tax Before Adjustments	LN 16 x 17 (599,788)	596,474	(3,314)	(15)	(3,329)	3,329	0
19	Federal tax adjustments:							
20	Other Current Adjustments	(14,505)	14,505	0	0	0	0	0
21	Prior Period Adjustments	27,895,810	(27,895,810)	0	0	0	0	0
22	Total Federal Current Tax Expense	SUM LN 18-21 27,281,517	(27,284,831)	(3,314)	(15)	(3,329)	3,329	0
23	State Current Tax Expense:							
24	Federal Taxable Income	LN 14 (2,355,112)	1,744,605	(610,506)	(24,517)	(635,023)	5,945,277	5,310,254
25	State tax adjustments:							
26	Addback Section 199 Manufacturing Deduction	0	0	0	0	0	0	0
27	State Section 199 Manufacturing Deduction	(2,080,520)	1,075,944	(1,004,576)	17,050	(987,527)	(3,605,115)	(4,592,641)
28	Addback Federal Net Operating Loss	11,205,970	(50,055,299)	(38,849,329)	(400,431)	(39,249,761)	96,589,250	57,339,489
29	Addback Bonus Depreciation	160,728,477	(160,728,477)	0	0	0	0	0
30	Addback Federal Tax Depreciation	266,407,969	195,419,471	461,827,439	0	461,827,439	0	461,827,439
31	State Tax Depreciation	(397,186,217)	(9,480,795)	(406,667,013)	0	(406,667,013)	0	(406,667,013)
32	Other Adjustments	(2,759,102)	2,759,102	0	0	0	0	0
33	State Taxable Income	SUM LN 24-32 33,961,463	(19,265,449)	14,696,015	(407,898)	14,288,116	98,929,412	113,217,529
34	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
35	State Current Tax Expense Before Adjustments	LN 33 x 34 2,037,688	(1,155,927)	881,761	(24,474)	857,287	5,935,765	6,793,052
36	State Tax Credits and Adjustments:							
37	Kentucky Coal Credit	(1,068,699)	(414,100)	(1,482,799)	0	(1,482,799)	0	(1,482,799)
38	Other Current Adjustments	(2,344)	2,344	0	0	0	0	0
39	Prior Period Adjustments	(1,608,078)	1,608,078	0	0	0	0	0
40	Total State Current Tax Expense	SUM LN 35-39 (641,433)	40,395	(601,038)	(24,474)	(625,512)	5,935,765	5,310,253

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPUTATION OF FEDERAL AND STATE INCOME TAX - JURISDICTIONAL
FOR THE BASE PERIOD TME FEBRUARY 28, 2017 AND FORECAST PERIOD TME JUNE 30, 2018

SCHEDULE E-1
PAGE 2 OF 3

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES			
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJUSTMENTS	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	FORECASTED PERIOD	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
		\$	\$	\$	\$	\$	\$		
41	INVESTMENT TAX CREDITS & INCOME TAXES DEFERRED IN PRIOR YEARS								
42	INVESTMENT TAX CREDIT:								
43	Amortization of ITC	4,091,851	(4,091,851)	0		0		0	
44	TOTAL INVESTMENT TAX CREDIT	4,091,851	(4,091,851)	0		0		0	
45	INCOME TAX DEFERRED - FEDERAL:								
46	Amortization Loss on Reacquired Debt	155,251	(354,994)	(199,743)		(199,743)		(199,743)	
47	ARO CCR	2,753,829	6,531,217	9,285,046		9,285,046		9,285,046	
48	Bonus Depreciation - Federal	56,254,967	(56,254,967)	0		0		0	
49	Contribution In Aid of Const. & Capitalized Interest	(3,584,212)	(558,849)	(4,143,061)		(4,143,061)		(4,143,061)	
50	Cost of Removal	5,363,460	1,092,219	6,455,679		6,455,679		6,455,679	
51	Demand Side Management	1,094,249	(628,245)	466,005		466,005		466,005	
52	Environmental Cost Recovery	(3,863,118)	4,903,962	1,040,844		1,040,844		1,040,844	
53	Fuel Adjustment Clause - KY	920,213	(1,102,171)	(181,958)		(181,958)		(181,958)	
54	Post Retirement Benefits	880,005	873,569	1,753,574		1,753,574		1,753,574	
55	Pensions	(1,734,388)	2,577,318	842,930		842,930		842,930	
56	Green River Reg Asset	(849,823)	289,714	(560,109)		(560,109)		(560,109)	
57	Interest Rate Swaps	(281,933)	162	(281,771)		(281,771)		(281,771)	
58	Obsolete Inventory	0	0	0		0		0	
59	OSS Adjustment Clause - KY	8,257	(11,840)	(3,582)		(3,582)		(3,582)	
60	R&D - Misc Def Debits	354,307	(449,638)	(95,331)		(95,331)		(95,331)	
61	Refined Coal	(183,689)	248,536	64,847		64,847		64,847	
62	Regulatory Expenses	527,560	(745,241)	(217,682)		(217,682)		(217,682)	
63	Storm Damages	(1,955,322)	0	(1,955,322)		(1,955,322)		(1,955,322)	
64	Tax Depreciation in excess of Book Depreciation	15,930,287	58,316,822	74,247,109		74,247,109		74,247,109	
65	Federal Net Operating Loss	3,922,089	(17,519,355)	(13,597,265)	(140,151)	(13,737,416)	33,806,237	20,068,821	
66	Other Deferred - Federal	18,143,984	(18,143,984)	0		0		0	
67	ADJUSTMENTS:								
68	Prior Period Adjustments	(28,515,852)	28,515,852	0		0		0	
69	Federal Excess Deferrals	(577,160)	81,725	(495,436)		(495,436)		(495,436)	
70	Permanent Loss on Tax Depreciation	624,691	(74,809)	549,882		549,882		549,882	
71	Solar Credit Carryforward	(4,091,851)	4,091,851	0		0		0	
72	Other	(248,046)	69,259	(178,788)		(178,788)		(178,788)	
73	TOTAL INCOME TAX DEFERRED - FEDERAL	SUM LN 46-72	61,047,754	11,748,115	72,795,869	(140,151)	72,655,718	33,806,237	106,461,955
74	TOTAL FEDERAL INCOME TAXES	LN 22+73	88,329,271	(15,536,716)	72,792,555	(140,166)	72,652,389	33,809,567	106,461,955

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COMPUTATION OF FEDERAL AND STATE INCOME TAX - JURISDICTIONAL
FOR THE BASE PERIOD TME FEBRUARY 28, 2017 AND FORECAST PERIOD TME JUNE 30, 2018

DATA: __X__ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S):.

SCHEDULE E-1
PAGE 3 OF 3
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD	ADJUSTMENTS	FORECASTED PERIOD	PRO FORMA ADJUSTMENTS	PRO FORMA FORECASTED PERIOD	ADJUSTMENTS	FORECASTED PERIOD
		(1) \$	(2) \$	(3) \$	(4) \$	(5) \$	(6) \$	(7) \$
75	INCOME TAX DEFERRED - STATE:							
76	Amortization Loss on Reacquired Debt	28,313	(64,741)	(36,427)		(36,427)		(36,427)
77	ARO CCR	502,218	1,191,103	1,693,321		1,693,321		1,693,321
78	Contribution In Aid of Const. & Capitalized Interest	(653,656)	(101,918)	(755,573)		(755,573)		(755,573)
79	Cost of Removal	978,139	199,189	1,177,328		1,177,328		1,177,328
80	Demand Side Management	199,559	(114,574)	84,986		84,986		84,986
81	Environmental Cost Recovery	(704,520)	894,340	189,820		189,820		189,820
82	Fuel Adjustment Clause - KY	167,820	(201,004)	(33,184)		(33,184)		(33,184)
83	Post Retirement Benefits	160,487	162,012	322,499		322,499		322,499
84	Pensions	(316,302)	469,561	153,259		153,259		153,259
85	Green River Reg Asset	(154,983)	52,835	(102,147)		(102,147)		(102,147)
86	Interest Rate Swaps	(51,416)	30	(51,387)		(51,387)		(51,387)
87	Obsolete Inventory	0	0	0		0		0
88	OSS Adjustment Clause - KY	1,506	(2,159)	(653)		(653)		(653)
89	R&D - Misc Def Debits	64,615	(82,001)	(17,386)		(17,386)		(17,386)
90	Refined Coal	(33,500)	45,326	11,826		11,826		11,826
91	Regulatory Expenses	96,212	(135,910)	(39,699)		(39,699)		(39,699)
92	Storm Damages	(356,594)	0	(356,594)		(356,594)		(356,594)
92	Tax Depreciation in excess of Book Depreciation	11,243,272	(1,235,462)	10,007,810		10,007,810		10,007,810
93	Other Deferred - State	3,493,389	(3,493,389)	0		0		0
94	ADJUSTMENTS:							
95	Prior Period Adjustments	1,890,386	(1,890,386)	0		0		0
96	Excess Deferrals	(419,720)	53,083	(366,637)		(366,637)		(366,637)
97	Permanent Loss on Tax Depreciation	113,925	(18,716)	95,210		95,210		95,210
98	TOTAL INCOME TAX DEFERRED - STATE	SUM LN 76-97 16,249,152	(4,272,781)	11,976,371	0	11,976,371	0	11,976,371
99	TOTAL STATE INCOME TAXES	LN 39+98 15,607,719	(4,232,386)	11,375,334	(24,474)	11,350,860	5,935,765	17,286,624
100	TOTAL INCOME TAXES	LN 44+74+99 108,028,841	(23,860,953)	84,167,888	(164,640)	84,003,248	39,745,332	123,748,580

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-2
PAGE 1 OF 3
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTIONS BY MAJOR GROUPINGS OR ACCOUNT	UNADJUSTED TOTAL COMPANY \$	JURIS. PERCENT	UNADJUSTED JURISDICTIONAL AMOUNT \$	JURISDICTIONAL CODE / EXPLANATION
1	Operating Income Before Income Taxes	506,011,546	89.153%	451,124,275	SEE SCHEDULE C-2.1
2	Interest Charges	(95,447,312)	89.352%	(85,284,105)	RATE BASE
3	Book Taxable Income	410,564,234		365,840,170	
4	Permanent Differences:				
5	Medicare Part D Subsidy	(152,202)	89.231%	(135,812)	RATE BASE
6	AFUDC - Book Depreciation	900,000	0.000%	-	DIRECT ASSIGN
7	Non-Deductible Meals & Entertainment	316,637	89.231%	282,540	RATE BASE
8	IRC Section 199 Manufacturing Deduction	-	87.714%	-	TOTAL STEAM PRODUCTION PLANT
9	Total Permanent Differences	1,064,435		146,728	
10	Total Federal Temporary Differences:				
11	AFUDC-Debt,Repair Allow.,Misc Book Diffs-Federal	(147,565)	0.000%	-	DIRECT ASSIGN
12	Amortization Loss on Reacquired Debt	(528,835)	89.231%	(471,887)	RATE BASE
13	Bad Debts Reserves	(63,452)	94.900%	(60,216)	UNCOLLECTIBLE EXP
14	Bonus Depreciation - Federal	(180,410,883)	89.090%	(160,728,477)	TOTAL DEFERRED TAXES
15	Book Depreciation	234,974,321	89.231%	209,670,879	RATE BASE
16	CAFC - Federal	(447,571)	89.231%	(399,374)	RATE BASE
17	Capitalized Property Tax	(494,580)	89.231%	(441,321)	RATE BASE
18	Contribution In Aid of Const. & Capitalized Interest	12,209,000	89.231%	10,894,262	RATE BASE
19	CCR ARO Ponds - 282	(129,950,547)	87.714%	(113,985,093)	TOTAL STEAM PRODUCTION PLANT
20	CCR ARO Ponds - 283	(131,027,002)	87.714%	(114,929,297)	TOTAL STEAM PRODUCTION PLANT
21	CCR ARO Ponds - 190	251,434,854	87.714%	220,544,090	TOTAL STEAM PRODUCTION PLANT
22	Contingency Reserve	(350,003)	89.231%	(312,313)	RATE BASE
23	Contribution Carryforward	(1,640,082)	89.231%	(1,463,468)	RATE BASE
24	Cost of Removal	(18,298,650)	89.090%	(16,302,310)	TOTAL DEFERRED TAXES
25	Demand Side Management	(3,325,986)	100.000%	(3,325,986)	DIRECT ASSIGN
26	Deferred Rent Payable	10,612	90.298%	9,582	LABOR
27	EEl/Div Rec - BTL	-	0.000%	-	DIRECT ASSIGN
28	Emission Allowances	5,175	87.714%	4,539	TOTAL STEAM PRODUCTION PLANT
29	Environmental Cost Recovery - Current	11,742,000	100.000%	11,742,000	DIRECT ASSIGN
30	FAC Under Recovery KY	(2,797,000)	100.000%	(2,797,000)	DIRECT ASSIGN
31	FAS 106 Cost Write-Off (Post Retirement)	(2,962,182)	90.298%	(2,674,788)	LABOR
32	FAS 112 Cost Write-Off (Post Employment)	78,151	90.298%	70,569	LABOR
33	FAS 143 - 190	(324,904,026)	89.090%	(289,457,756)	TOTAL DEFERRED TAXES
34	FAS 143 - 283	75,372,430	89.090%	67,149,474	TOTAL DEFERRED TAXES
35	FAS 143 - ARO	249,531,596	89.231%	222,660,540	RATE BASE
36	FAS 87 Pensions	5,838,117	90.298%	5,271,697	LABOR
37	Green River Regulatory Asset	2,583,049	100.000%	2,583,049	DIRECT ASSIGN
38	Interest Rate Swaps	(1,437,632)	89.231%	(1,282,819)	RATE BASE
39	Interest Rate Swaps - Reg Asset	2,397,988	89.231%	2,139,758	RATE BASE
40	MISO Exit Fees-Transmission	182,421	0.000%	-	DIRECT ASSIGN
41	Muni True-up - Reg Asset	(3,330,668)	0.000%	-	DIRECT ASSIGN
42	Federal NOL Utilization	(92,591,786)	89.090%	(82,490,239)	TOTAL DEFERRED TAXES
43	Non-Qualified Thrift-BTL	-	0.000%	-	DIRECT ASSIGN
44	Off-System Sales Tracker - Reg Liab	(25,098)	100.000%	(25,098)	DIRECT ASSIGN
45	Over/Under Accrual FICA	(70,436)	90.298%	(63,602)	LABOR
46	Over/Under Accrual of PSC Tax	(77,049)	100.000%	(77,049)	DIRECT ASSIGN
47	Over/Under Accrual of UN/INS	4,204	90.298%	3,796	LABOR
48	Pensions - Regulatory Asset	(21,243,114)	90.298%	(19,182,088)	LABOR
49	Performance Incentive	630,660	90.298%	569,473	LABOR
50	Research Dev. & Demo Exp.	(1,192,630)	90.298%	(1,076,920)	LABOR
51	Refined Coal - KY - Reg Liab	558,325	100.000%	558,325	DIRECT ASSIGN
52	Refined Coal - VA - Reg Liab	23,848	0.000%	-	DIRECT ASSIGN
53	Regulatory Expenses	(1,674,194)	95.779%	(1,603,526)	REGULATORY COMMISSION EXP
54	State Tax Current	751,954	88.678%	666,817	STATE INCOME TAX
55	Tax Depreciation - Federal	(299,031,620)	89.090%	(266,407,969)	TOTAL DEFERRED TAXES
56	Tax Gain/Loss on Sale - Federal	(5,183,660)	89.231%	(4,625,452)	RATE BASE
57	Tax Repair Expensing	(33,432,951)	89.231%	(29,832,691)	RATE BASE
58	Tenant Incentive Amortization	(297,496)	90.298%	(268,633)	LABOR
59	VA Mountain Snow Storm	534,119	0.000%	-	DIRECT ASSIGN
60	VA Fuel Clause	(128,000)	0.000%	-	DIRECT ASSIGN
61	Vacation Pay	38,932	90.298%	35,155	LABOR
62	Workers Compensation	(353,635)	90.298%	(319,325)	LABOR
63	2008 Wind Storm Damages	219,552	100.000%	219,552	DIRECT ASSIGN
64	2009 Winter Storm Damages	5,723,676	100.000%	5,723,676	DIRECT ASSIGN
65	Federal Temporary Differences	(402,573,350)		(354,087,462)	
66	Subtotal	9,055,319		11,899,435	
67	Total state tax expense	(4,583,256)		(4,284,977)	
68	Federal Taxable Income	4,472,063		7,614,459	
69	Federal Income Tax Rate	35%		35%	
70	Current Federal Tax Before Adjustments	1,565,222		2,665,061	
71	Federal tax adjustments:				
72	Other Current Adjustments	(16,256)	89.231%	(14,505)	RATE BASE
73	Prior Period Adjustments	31,262,324	89.231%	27,895,810	RATE BASE
74	Total Federal Current Tax Expense	32,811,290		30,546,365	

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-2
PAGE 2 OF 3
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTIONS BY MAJOR GROUPINGS OR ACCOUNT	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTIONAL AMOUNT	JURISDICTIONAL CODE / EXPLANATION
		\$		\$	
75	State Current Tax Expense:				
76	Federal Taxable Income	LN 66 9,055,319		11,899,435	
77	State tax adjustments:	-		-	
78	Addback Federal IRC Sec 199 Manuf Deduction	-	87.714%	-	TOTAL STEAM PRODUCTION PLANT
79	State IRC Sec 199 Manuf Deduction	(6,039,666)	91.272%	(5,512,509)	KENTUCKY DEMAND AVG 12 CP
80	Addback Federal Net Operating Loss	92,591,786	89.231%	82,620,948	RATE BASE
81	Addback Bonus Depreciation	180,410,883	89.090%	160,728,477	TOTAL DEFERRED TAXES
82	Addback Federal Tax Depreciation	299,031,620	89.090%	266,407,969	TOTAL DEFERRED TAXES
83	State Tax Depreciation	(445,824,645)	89.090%	(397,186,217)	TOTAL DEFERRED TAXES
84	Other Adjustments	(3,243,224)	89.103%	(2,889,812)	RATE BASE & STATE TAX
85	State Taxable Income	SUM LN 76-84 125,982,073		116,068,291	
86	State Apportionment Income Adjustment	-	0.000%	-	DIRECT ASSIGN
87	State Taxable Income Adjusted	LN 85+86 125,982,073		116,068,291	
88	State Income Tax Rate	6%		6%	
89	State Current Tax Expense Before Adjustments	LN 87 x 88 7,558,924		6,964,097	
90	State Tax Credits and Adjustments:				
91	Kentucky Coal Credit	(1,170,898)	91.272%	(1,068,699)	KENTUCKY DEMAND AVG 12 CP
92	Other Current Adjustments	(2,626)	89.231%	(2,344)	RATE BASE
93	Prior Period Adjustments	(1,802,144)	89.231%	(1,608,078)	RATE BASE
94	Total State Current Tax Expense	SUM LN 89-93 4,583,256		4,284,977	
95	Income Tax Deferred - Federal:				
96	AFUDC-Debt,Repair Allow.,Misc Book Diffs-Federal	48,549	0.000%	-	DIRECT ASSIGN
97	Amortization Loss on Recquired Debt	173,987	89.231%	155,251	RATE BASE
98	Bad Debts Reserves	20,876	94.900%	19,811	UNCOLLECTIBLE EXP
99	Bonus Depreciation - Federal	63,143,809	89.090%	56,254,967	TOTAL DEFERRED TAXES
100	Book Depreciation	(77,306,552)	89.231%	(68,981,719)	RATE BASE
101	CAFC - Federal	147,251	89.231%	131,394	RATE BASE
102	Capitalized Property Tax	162,717	89.231%	145,194	RATE BASE
103	Contribution In Aid of Const. & Capitalized Interest	(4,016,761)	89.231%	(3,584,212)	RATE BASE
104	CCR ARO Ponds - 282	42,753,730	87.714%	37,501,096	TOTAL STEAM PRODUCTION PLANT
105	CCR ARO Ponds - 283	43,107,884	87.714%	37,811,739	TOTAL STEAM PRODUCTION PLANT
106	CCR ARO Ponds - 190	(82,722,067)	87.714%	(72,559,006)	TOTAL STEAM PRODUCTION PLANT
107	Contingency Reserve	115,151	89.231%	102,751	RATE BASE
108	Contribution Carryforward	574,029	89.231%	512,214	RATE BASE
109	Cost of Removal	6,020,256	89.090%	5,363,460	TOTAL DEFERRED TAXES
110	Demand Side Management	1,094,249	100.000%	1,094,249	DIRECT ASSIGN
111	Deferred Rent Payable	(3,491)	90.298%	(3,153)	LABOR
112	EI/Div Rec - BTL	-	0.000%	-	DIRECT ASSIGN
113	Emission Allowances	(1,703)	87.714%	(1,493)	TOTAL STEAM PRODUCTION PLANT
114	Environmental Cost Recovery - Current	(3,863,118)	100.000%	(3,863,118)	DIRECT ASSIGN
115	FAC Under Recovery KY	920,213	100.000%	920,213	DIRECT ASSIGN
116	FAS 106 Cost Write-Off (Post Retirement)	974,558	90.298%	880,005	LABOR
117	FAS 112 Cost Write-Off (Post Employment)	(25,712)	90.298%	(23,217)	LABOR
118	FAS 143 - 190	106,893,425	89.090%	95,231,602	TOTAL DEFERRED TAXES
119	FAS 143 - 283	(24,797,530)	89.090%	(22,092,177)	TOTAL DEFERRED TAXES
120	FAS 143 - ARO	(82,095,895)	89.231%	(73,255,318)	RATE BASE
121	FAS 87 Pensions	(1,920,740)	90.298%	(1,734,388)	LABOR
122	Green River Regulatory Asset	(849,823)	100.000%	(849,823)	DIRECT ASSIGN
123	Interest Rate Swaps	472,981	89.231%	422,047	RATE BASE
124	Interest Rate Swaps - Reg Asset	(788,938)	89.231%	(703,980)	RATE BASE
125	MISO Exit Fees-Transmission	(60,016)	0.000%	-	DIRECT ASSIGN
126	Muni True-up - Reg Asset	1,095,790	0.000%	-	DIRECT ASSIGN
127	Federal NOL Utilization	32,407,125	89.090%	28,871,584	TOTAL DEFERRED TAXES
128	Non-Qualified Thrift-BTL	-	0.000%	-	DIRECT ASSIGN
129	Off-System Sales Tracker - Reg Liab	8,257	100.000%	8,257	DIRECT ASSIGN
130	Over/Under Accrual FICA	23,173	90.298%	20,925	LABOR
131	Over/Under Accrual of PSC Tax	25,349	100.000%	25,349	DIRECT ASSIGN
132	Over/Under Accrual of UN/INS	(1,383)	90.298%	(1,249)	LABOR
133	Pensions - Regulatory Asset	6,988,984	90.298%	6,310,907	LABOR
134	Performance Incentive	(207,487)	90.298%	(187,357)	LABOR
135	Research Dev. & Demo Exp.	392,375	90.298%	354,307	LABOR
136	Refined Coal - KY - Reg Liab	(183,689)	100.000%	(183,689)	DIRECT ASSIGN
137	Refined Coal - VA - Reg Liab	(7,846)	0.000%	-	DIRECT ASSIGN
138	Regulatory Expenses	550,810	95.779%	527,560	REGULATORY COMMISSION EXP
139	State Tax Current	(263,184)	88.678%	(233,386)	STATE INCOME TAX
140	Tax Depreciation - Federal	95,298,749	89.101%	84,912,006	TOTAL DEFERRED TAXES
141	Tax Gain/Loss on Sale - Federal	1,618,666	89.231%	1,444,358	RATE BASE
142	Tax Repair Expensing	10,999,441	89.231%	9,814,955	RATE BASE
143	Tenant Incentive Amortization	97,876	90.298%	88,380	LABOR
144	VA Mountain Snow Storm	(175,725)	0.000%	-	DIRECT ASSIGN
145	VA Fuel Clause	42,112	0.000%	-	DIRECT ASSIGN
146	Vacation Pay	(12,809)	90.298%	(11,566)	LABOR
147	Workers Compensation	116,346	90.298%	105,058	LABOR
148	2008 Wind Storm Damages	(72,232)	100.000%	(72,232)	DIRECT ASSIGN
149	2009 Winter Storm Damages	(1,883,089)	100.000%	(1,883,089)	DIRECT ASSIGN
150	Subtotal Income Tax Deferred - Federal	SUM LN 96-149 135,028,927		118,805,467	

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BASE YEAR FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE E-2
PAGE 3 OF 3
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTIONS BY MAJOR GROUPINGS OR ACCOUNT	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTIONAL AMOUNT	JURISDICTIONAL CODE / EXPLANATION
		\$		\$	
151	Adjustments:				
152	Prior Period Adjustments	(31,957,194)	89.231%	(28,515,852)	RATE BASE
153	Federal Excess Deferreds	(650,000)	88.794%	(577,160)	TOTAL ELECTRIC PLANT
154	Permanent Loss on Tax Depreciation	700,080	89.231%	624,691	RATE BASE
155	Solar Credit Carryforward	(4,601,305)	88.928%	(4,091,851)	TAX EXPENSE
156	Other	(277,981)	89.231%	(248,046)	RATE BASE
157	Total Income Tax Deferred - Federal	SUM LN 150-156 98,242,527		85,997,248	
158	Total Federal Income Taxes	LN 74+157 <u>131,053,817</u>		<u>116,543,613</u>	
159	Income Tax Deferred - State:				
160	AFUDC-Debt,Repair Allow.,Misc Book Diffs-Federal	8,854	0.000%	-	DIRECT ASSIGN
161	Amortization Loss on Reacquired Debt	31,730	89.231%	28,313	RATE BASE
162	Bad Debts Reserves	3,807	94.900%	3,613	UNCOLLECTIBLE EXPE
163	Book Depreciation	(14,098,459)	89.231%	(12,580,253)	RATE BASE
164	CAFC - State	26,854	89.231%	23,962	RATE BASE
165	Capitalized Property Tax	29,675	89.231%	26,479	RATE BASE
166	Contribution In Aid of Const. & Capitalized Interest	(732,540)	89.231%	(653,656)	RATE BASE
167	CCR ARO Ponds - 282	7,797,033	87.714%	6,839,106	TOTAL STEAM PRODUCTION PLANT
168	CCR ARO Ponds - 283	7,861,620	87.714%	6,895,758	TOTAL STEAM PRODUCTION PLANT
169	CCR ARO Ponds - 190	(15,086,091)	87.714%	(13,232,645)	TOTAL STEAM PRODUCTION PLANT
170	Contingency Reserve	21,000	89.231%	18,739	RATE BASE
171	Cost of Removal	1,097,919	89.090%	978,139	TOTAL DEFERRED TAXES
172	Demand Side Management	199,559	100.000%	199,559	DIRECT ASSIGN
173	Deferred Rent Payable	(637)	90.298%	(575)	LABOR
174	EI/Div Rec - BTL	-	0.000%	-	DIRECT ASSIGN
175	Emission Allowances	(311)	87.714%	(272)	TOTAL STEAM PRODUCTION PLANT
176	Environmental Cost Recovery - Current	(704,520)	100.000%	(704,520)	DIRECT ASSIGN
177	FAC Under Recovery KY	167,820	100.000%	167,820	DIRECT ASSIGN
178	FAS 106 Cost Write-Off (Post Retirement)	177,731	90.298%	160,487	LABOR
179	FAS 112 Cost Write-Off (Post Employment)	(4,689)	90.298%	(4,234)	LABOR
180	FAS 143 - 190	19,494,242	89.090%	17,367,465	TOTAL DEFERRED TAXES
181	FAS 143 - 283	(4,522,346)	89.090%	(4,028,968)	TOTAL DEFERRED TAXES
182	FAS 143 - ARO	(14,971,896)	89.231%	(13,359,632)	RATE BASE
183	FAS 87 Pensions	(350,287)	90.298%	(316,302)	LABOR
184	Green River Regulatory Asset	(154,983)	100.000%	(154,983)	DIRECT ASSIGN
185	Interest Rate Swaps	86,258	89.231%	76,969	RATE BASE
186	Interest Rate Swaps - Reg Asset	(143,879)	89.231%	(128,385)	RATE BASE
187	MISO Exit Fees-Transmission	(10,945)	0.000%	-	DIRECT ASSIGN
188	Muni True-up - Reg Asset	199,840	0.000%	-	DIRECT ASSIGN
189	Non-Qualified Thrift-BTL	-	0.000%	-	DIRECT ASSIGN
190	Off-System Sales Tracker - Reg Liab	1,506	100.000%	1,506	DIRECT ASSIGN
191	Over/Under Accrual FICA	4,226	90.298%	3,816	LABOR
192	Over/Under Accrual of PSC Tax	4,623	100.000%	4,623	DIRECT ASSIGN
193	Over/Under Accrual of UN/INS	(252)	90.298%	(228)	LABOR
194	Pensions - Regulatory Asset	1,274,587	90.298%	1,150,925	LABOR
195	Performance Incentive	(37,840)	90.298%	(34,168)	LABOR
196	Research Dev. & Demo Exp.	71,558	90.298%	64,615	LABOR
197	Refined Coal - KY - Reg Liab	(33,500)	100.000%	(33,500)	DIRECT ASSIGN
198	Refined Coal - VA - Reg Liab	(1,431)	0.000%	-	DIRECT ASSIGN
199	Regulatory Expenses	100,452	95.779%	96,212	REGULATORY COMMISSION EXP
200	Tax Depreciation - State	26,749,479	89.062%	23,823,525	TOTAL DEFERRED TAXES
201	Tax Gain/Loss on Sale - State	558,901	89.231%	498,715	RATE BASE
202	Tax Repair Expensing	2,005,977	89.231%	1,789,961	RATE BASE
203	Tenant Incentive Amortization	17,850	90.298%	16,118	LABOR
204	VA Mountain Snow Storm	(32,047)	0.000%	-	DIRECT ASSIGN
205	VA Fuel Clause	7,680	0.000%	-	DIRECT ASSIGN
206	Vacation Pay	(2,336)	90.298%	(2,109)	LABOR
207	Workers Compensation	21,218	90.298%	19,160	LABOR
208	2008 Wind Storm Damages	(13,173)	100.000%	(13,173)	DIRECT ASSIGN
209	2009 Winter Storm Damages	(343,421)	100.000%	(343,421)	DIRECT ASSIGN
210	Subtotal Income Tax Deferred - State	SUM LN 160-209 16,776,416		14,664,560	
211	Adjustments:				
212	Prior Period Adjustments	2,118,521	89.231%	1,890,386	RATE BASE
213	Excess Deferreds	(450,000)	93.271%	(419,720)	TOTAL KENTUCKY ELECTRIC PLANT
214	Permanent Loss on Tax Depreciation	127,674	89.231%	113,925	RATE BASE
215	Total Income Tax Deferred - State	SUM LN 210-214 18,572,611		16,249,152	
216	Total State Income Taxes	LN 94+215 <u>23,155,867</u>		<u>20,534,129</u>	

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(f)
Sponsoring Witnesses: Christopher M. Garrett

Description of Filing Requirement:

Summary schedules for both the base period and the forecasted period (the utility may also provide a summary segregating those items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures at country clubs; charitable contributions; marketing, sales, and advertising expenditures; professional service expenses; civic and political activity expenses; expenditures for employee parties and outings; employee gift expenses; and rate case expenses.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

Kentucky Utilities

Case No. 2016-00370

Filing requirement Section 16 (8)(f)

Base Period: Twelve Months Ended February 28, 2017

Forecasted Test Period: Twelve Months Ended June 30, 2018

FR_16(8)(f) Schedule F

<u>Schedule</u>	<u>Description</u>
F-1	Organization Membership Dues, Initiation Fees and Expenditures at Country Clubs
F-2	Charitable Contributions
F-3	Expenditures for Employee Parties and Outings, Employee Gift Expenses
F-4	Marketing and Sales Expenditures
F-5	Advertising Expenditures
F-6	Professional Services Expenses
F-7	Rate Case Expenses
F-8	Civic and Political Activity Expenses

Kentucky Utilities
Case No. 2016-00370
Organization Membership Dues, Initiation Fees and Expenditures at Country Clubs
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

LGE FR_16(8)(f)

Schedule F-1

Account No.	Organization/Membership	Dues	Jurisdiction %	Total Jurisdiction
<u>Base Period - Recoverable</u>				
930	Electric Power Research Institute (EPRI)	3,054,454	90.298%	2,758,108
930	Edison Electric Institute (EEI)	501,339	90.298%	452,699
930	Utility Air Regulatory Group (UARG)	199,386	90.298%	180,041
930	North American Transmission Forum Inc	77,372	90.298%	69,865
930	Utility Water Act Group (UWAG)	70,517	90.298%	63,675
930	Hunton and Williams LLP	66,150	90.298%	59,732
163/930	Scientech Corporation	62,059	89.203%	55,359
930	Baker Botts LLP	54,591	90.298%	49,295
930	Step toe & Johnson LLC	44,688	90.298%	40,352
930	National Electric Energy Testing Research and Applications Center	33,705	90.298%	30,435
930	University Of Louisville	31,500	90.298%	28,444
930	Bracewell and Giuliani LLP	25,777	90.298%	23,276
930	Chartwell Inc	16,303	90.298%	14,721
930	Energy Central	14,000	90.298%	12,642
930	Southern Company Services	10,311	90.298%	9,311
921/930	Kentucky Association of Manufacturers	8,820	90.298%	7,964
930	Southeastern Electric Exchange	8,343	90.298%	7,534
930	American Coal Ash Association	7,650	90.298%	6,908
930	Coal Utilization Research Council	7,650	90.298%	6,908
930	Utilities Telecom Council	7,050	90.298%	6,366
921	Kentucky Society Of CPA'S	6,204	90.298%	5,602
930	Waterways Council Inc	5,857	90.298%	5,289
930	Cybertech Inc	5,599	90.298%	5,056
500/921/930	Vendors < \$5,000	104,178	90.298%	94,071
Total Base Period - Recoverable		4,423,503		3,993,651

Note> For various and where multiple accounts are shown, the Account 930 jurisdictional percentage was used.

Base Period - Not Recoverable

426	Edison Electric Institute (EEI)	66,651		
426	Kentucky Chamber Of Commerce	29,383		
426	Commerce Lexington Inc	8,209		
426	Coal Utilization Research Council	7,650		
426	Waterways Council Inc	4,989		
426	Various Vendors	20,189		
Total Base Period - Non-Recoverable		137,071		

Forecasted Period - Recoverable

921/930	Electric Power Research Institute (EPRI)	2,879,090	90.544%	2,606,843
921/930	Edison Electric Institute (EEI)	422,368	90.544%	382,429
921/930	Utility Air Regulatory Group (UARG)	182,002	90.544%	164,792
921/930	Utility Water Act Group (UWAG)	53,530	90.544%	48,468
921/930	Midwest Ozone Group Membership (MOG)	36,829	90.544%	33,346
921/930	Utility Solid Waste Activities Group (USWAG)	36,400	90.544%	32,958
Various	Other non-specific KU Dues	506,080	90.544%	458,225
Total Forecasted Period - Recoverable		4,116,299	90.544%	3,727,062

Note> Portion of Forecasted test period Recoverable Dues are not completed in specific vendor detail and are shown as "Other non-specific KU Dues".
For various and where multiple accounts are shown, the Account 930 jurisdictional percentage was used.

LGE FR_16(8)(f)

Schedule F-1

Account No.	Organization/Membership	Dues	Jurisdiction %	Total Jurisdiction
Forecasted Period - Non-Recoverable				
426	Edison Electric Institute (EEI)	68,823		
426	Non-Recoverable Dues	7,068		
	Total Forecasted Peiod - Non-Recoverable	75,891		

Note> Forecasted test year period Non-Recoverable Dues are not completed in specific vendor detail and are shown as "Non-Recoverable Dues".

Kentucky Utilities Company
Case No. 2016-00370
Charitable Contributions
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-2

Account No.	Charitable Organization	Total Utility
Base Period - Not Recoverable		
426.1	HOME ENERGY ASSISTANCE PROGRAM	370,000
426.1	KENTUCKY STATE UNIVERSITY	100,000
426.1	WINTER CARE ENERGY FUND	94,338
426.1	LEADERSHIP KENTUCKY FOUNDATION INC	50,000
426.1	LEXINGTON STRIDES AHEAD FOUNDATION	45,000
426.1	BERNHEIM ARBORETUM AND RESEARCH FOREST	39,066
426.1	URBAN LEAGUE OF LEX FAYETTE COUNTY	31,750
426.1	LEXINGTON HABITAT FOR HUMANITY	31,250
426.1	HERRINGTON LAKE CONSERVATION LEAGUE	30,000
426.1	SHAKER VILLAGE OF PLEASANT HILL	30,000
426.1	UNIVERSITY OF KENTUCKY	26,830
426.1	KENTUCKY ASSOCIATION FOR ECONOMIC DEVELOPMENT	25,000
426.1	COMMERCE LEXINGTON	20,000
426.1	DOWNTOWN LEXINGTON CORP	17,000
426.1	DOLLAR ENERGY FUND INC	16,091
426.1	BLUEGRASS TOMORROW INC	15,000
426.1	CAMPBELLSVILLE UNIVERSITY	15,000
426.1	HABITAT FOR HUMANITY OF JESSAMINE CO	15,000
426.1	AMERICAN HEART ASSOCIATION INC	15,000
426.1	KENTUCKY ASSOC OF MANUFACTURERS	14,000
426.1	SCOTT COUNTY HABITAT FOR HUMANITY	12,500
426.1	CENTER FOR WOMEN CHILDREN & FAMILIES-THE NEST	10,800
426.1	THE LIVING ARTS AND SCIENCE CENTER INC	10,100
426.1	COMMUNITY ACTION COUNCIL	10,000
426.1	GODS PANTRY FOOD BANK	10,000
426.1	HENDERSON MUSIC PRESERVATION SOCIETY INC	10,000
426.1	YMCA OF CENTRAL KENTUCKY	10,000
426.1	CARROLL COUNTY TRAINING CONSORTIUM	10,000
426.1	VARIOUS VENDORS < \$10,000	333,259
Total Base Period		1,416,984

KU FR_16(8)(f)

Schedule F-2

Account No.	Charitable Organization	Total Utility
Forecasted Period - Not Recoverable		
426.1	HOME ENERGY ASSISTANCE	370,000
426.1	KENTUCKY STATE UNIVERSITY	100,000
426.1	WINTER CARE ENERGY FUND	100,000
426.1	LEXINGTON PARTNERSHIP FOR WORKFORCE DEVELOPMENT	45,000
426.1	HABITAT FOR HUMANITY	32,000
426.1	URBAN LEAGUE	32,000
426.1	HERRINGTON LAKE CONSERVATION LEAGUE	31,318
426.1	BACKPACK PROGRAM	26,600
426.1	FUND FOR THE ARTS	25,600
426.1	CENTRE COLLEGE	16,000
426.1	FRAZIER HISTORY MUSEUM	16,000
426.1	THE LINCOLN FOUNDATION	16,000
426.1	WOMEN 4 WOMEN, INC.	15,360
426.1	LEXINGTON CELEBRATES THE SEASON	15,000
426.1	DOLLAR ENERGY FUND INC.	15,000
426.1	METRO UNITED WAY	12,800
426.1	BLUEGRASS STATE GAMES	12,000
426.1	JUNIOR ACHIEVEMENT OF THE BLUEGRASS	10,000
426.1	VARIOUS FORECASTED TEST PERIOD CHARITABLE CONTRIBUTIONS	675,691
Total Forecasted Test Period		1,566,369

Kentucky Utilities Company

Case No. 2016-00370

Expenditures for Employee Parties and Outings, Employee Gift Expenses

Base Period: Twelve Months Ended February 28, 2017

Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-3

Account No.	Description	Total Utility
<u>Base Period - Recoverable</u>		
Various	Safety Recognition	36,653
	Total Safety Recognition	36,653
<u>Base Period - Not Recoverable</u>		
426.5	All Other Employee Recognition	486,087
	Total All Other Employee Recognition	486,087
	Total Base Period	522,740
<u>Forecasted Period - Recoverable</u>		
Various	Safety Recognition	26,000
	Total Safety Recognition	26,000
<u>Forecasted Period - Not Recoverable</u>		
426.5	All Other Employee Recognition	762,706
	Total All Other Employee Recognition	762,706
	Total Forecasted Period	788,706

Kentucky Utilities Company
Case No. 2016-00370
Marketing and Sales Expenditures
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-4

Account No.	Description of Expenses	BASE PERIOD			FORECASTED PERIOD		
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Customer Service & Informational							
907	Supervision	573,785	99.709%	572,115	653,222	99.725%	651,425
908	Customer Assistance	546,873	100.000%	546,873	450,051	100.000%	450,051
910	Miscellaneous Customer Service & Informational	1,647,198	99.885%	1,645,304	1,862,873	99.901%	1,861,027
Totals		2,767,856		2,764,292	2,966,145		2,962,503

NOTE> Account 908, Customer Assistance, excludes amounts from Demand Side Management Programs (DSM), which are not recovered through base rates.

Sales Expense

911	Supervision	-	99.709%	-	-	99.725%	-
912	Demonstration & Selling	-	94.849%	-	-	94.815%	-
916	Miscellaneous Sales Expense	-	94.849%	-	-	94.815%	-
Totals		-		-	-		-

Kentucky Utilities
Case No. 2016-00370
Advertising
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-5

Account No.	Description of Expenses	BASE PERIOD			FORECASTED PERIOD		
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Recoverable Expenses							
909	Informational or Safety Advertising	474,085	94.849%	449,663	411,162	94.815%	389,845
	Totals	474,085		449,663	411,162		389,845
Non - Recoverable Expenses							
913	Sales or Promotional Advertising	824,857	94.849%	782,367	837,646	94.815%	794,217
930.1	Institutional or Other Advertising	4,402	95.116%	4,187	46,179	95.061%	43,898
	Totals	829,259		786,554	883,825		838,115

Kentucky Utilities
Case No. 2016-00370
Professional Services
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-6

Professional Services Description of Expenses	Base Period			Forecasted Test Period		
	Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Computer Hardware And Software	7,017,503	90.298%	6,336,659	7,074,611	90.371%	6,393,401
Contracted Labor And Materials	6,478,017	90.298%	5,849,514	7,267,366	90.371%	6,567,596
Legal Fees	2,419,574	90.298%	2,184,825	4,448,019	90.371%	4,019,722
Consulting Fees	439,716	90.298%	397,054	1,373,802	90.371%	1,241,519
Other	958,709	90.298%	865,694	1,008,038	90.371%	910,975
Totals	17,313,519		15,633,746	21,171,836		19,133,213

Kentucky Utilities Company
Case No. 2016-00370
Rate Case Expenses
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-7

Account No.	Description of Expense	Total Utility
<u>Total Estimated Kentucky Rate Case Expenses</u>		
928	Legal	\$ 889,952
928	Consultants	127,043
928	Newspaper Advertising	886,789
Total Estimated Kentucky Rate Case Expenses		\$ 1,903,784

Account No.	Description of Expenses	Base Period			Forecasted Period		
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
<u>Regulatory Commission Expenses</u>							
928	FERC Annual Charge	354,547	87.998%	311,993	438,438	87.938%	385,555
928	Rate Case Amortization	637,661	100.000%	637,661	1,272,252	100.000%	1,272,252
928	Miscellaneous	184,135	96.144%	177,035	142,500	100.000%	142,500
Totals		1,176,343		1,126,689	1,853,190		1,800,307

Kentucky Utilities Company

Case No. 2016-00370

Civic and Political Activity Expenses

Base Period: Twelve Months Ended February 28, 2017

Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(f)

Schedule F-8

		<u>Base Period</u>	<u>Forecasted Period</u>
<u>Account No.</u>	<u>Item</u>	<u>Total Utility</u>	<u>Total Utility</u>
Non - Recoverable Expenses			
426.4	Civic/Political	953,134	679,808
Totals		<u>953,134</u>	<u>679,808</u>

Amount under Base Period reflects 12 months of actuals for the period March 2016 - February 2017.

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(g)
Sponsoring Witness: Kent W. Blake / Gregory J. Meiman

Description of Filing Requirement:

Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.

Response:

See attached for non-confidential information responsive to this request. All confidential information responsive to this request is being provided under seal pursuant to a Petition for Confidential Protection. Note that the attached payroll analysis includes an allocation of LG&E and KU Services ("LKS") labor dollars.

On an annual basis the Company relies on benchmark information in calibrating the level of its primary components of compensation and benefits arrangements.

With regard to compensation, various third-party benchmarking and salary planning surveys from the energy services and general industries are utilized. The 50th percentile is used to establish the market midpoint of the annual salary ranges. Compensation is then managed within the low (70% of midpoint) and high (130% of midpoint) based on various factors including education, experience, performance, time in job and tenure. Compensation is considered competitive or "at market" if it is within +/- 10% of the market midpoint. A separate study from Willis Towers Watson is attached, which validates the Company's current compensation is at market.

Since 2001, LG&E-KU has participated in healthcare benchmarking surveys to ensure our medical benefits are in alignment. Our survey comparisons include national and local employers as well as utilities. Adjustments are made in premiums and plan structure in order to keep benefits in line with benchmarks. Benchmark data, medical claim information and medical trend data is utilized in structuring plan offerings and medical premiums. A separate study from Mercer is attached, reflecting relevant national, local, general industry and utility benchmark data.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals for non-confidential information responsive to this request. All confidential information responsive to this request is being provided under seal pursuant to the Petition for Confidential Protection submitted on November 23, 2016. Note that the attached payroll analysis includes an allocation of LG&E and KU Services ("LKS") labor dollars and employees.

Kentucky Utilities Company

Case No. 2016-00370

Payroll Costs

Base Period: Twelve Months Ended February 28, 2017

Forecasted Test Period: Twelve Months Ended June 30, 2018

Payroll Costs	Base Period	Adjustments	Forecasted Test Period
Wages and Salaries:			
Straight Time & OverTime/Premium	\$ 147,041,618	\$ 6,342,923	\$ 153,384,541
Off-duty Costs	24,575,420	970,920	25,546,340
Employee Benefits	69,977,360	5,549,627	75,526,987
Payroll Taxes	13,665,382	1,163,249	14,828,631
Total Payroll Costs	<u>\$ 255,259,780</u>	<u>\$ 14,026,719</u>	<u>\$ 269,286,499</u>
Additional Information:			
KU Employees	\$ 122,361,314	\$ 743,173	\$ 123,104,487
LKS Allocation	111,851,786	13,293,809	125,145,595
LG&E Employees	<u>21,046,680</u>	<u>(10,263)</u>	<u>21,036,417</u>
Total Payroll Costs	255,259,780	14,026,719	269,286,499
KU Employees Charging LG&E	(2,169,288)	252,282	(1,917,006)
KU Employees Charging Others	(3,496)	3,496	-
KU Total Payroll	<u>\$ 253,086,996</u>	<u>\$ 14,282,497</u>	<u>\$ 267,369,493</u>

Note 1: The information contained in this filing requirement includes all amounts for Kentucky Utilities employees as well as amounts charged to Kentucky Utilities by LG&E and KU Services and Louisville Gas and Electric.

Note 2: This schedule has been revised to reflect updated amounts related to employee benefits and payroll taxes for the forecasted test period. Amounts charged from the Utility were inadvertently excluded for these categories. The updated amounts now reflect both amounts charged to the Utility and from the Utility as previously noted (see Note 1).

Kentucky Utilities Company
Case No. 2016-00370
Payroll Analysis
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

Line No.	Description	Base Period	% Change	Forecasted Period
<u>Man Hours</u>				
	Salary/Straight Time Hours	3,380,585	4.49%	3,532,429
	OverTime Hours	272,743	-12.93%	237,491
	Total Man Hours	3,653,328	3.19%	3,769,920
	Ratio of OT Hours to ST Hours	8.07%		6.72%
<u>Straight Time & OverTime/Premium Dollars</u>				
	Salary/Straight Time Dollars	131,049,088	8.20%	141,798,403
	OverTime/Premium Dollars	15,992,530	-27.55%	11,586,138
	Total Labor Dollars	147,041,618	4.31%	153,384,541
	Ratio of OT Dollars to ST Dollars	12.20%		8.17%
	O&M Labor Dollars	101,763,996	8.28%	110,191,282
	Ratio of O&M Labor Dollars to Total Labor Dollars	69.21%		71.84%
<u>Off-duty Dollars</u>				
	Total Off-Duty Dollars	24,575,420	3.95%	25,546,340
	Off-Duty Dollars O&M	17,000,861	5.82%	17,990,171
	Ratio of Off-Duty O&M to Total Off-Duty	69.18%		70.42%
<u>Employee Benefits</u>				
	Total Employee Benefits	69,977,360	7.93%	75,526,987
	Employee Benefits O&M	48,630,136	14.15%	55,509,688
	Ratio of Employee Benefits O&M to Total Employee Benefits	69.49%		73.50%
<u>Payroll Taxes</u>				
	Total Payroll Taxes	13,665,382	8.51%	14,828,631
	Payroll Taxes O&M	9,669,989	10.46%	10,681,626
	Ratio of Payroll Taxes O&M to Total Payroll Taxes	70.76%		72.03%
<u>Employee Levels</u>				
	Average Employee Levels	935	0.96%	944
	Period-End Employee Levels	935	0.21%	937

- Note 1:** The information contained in this filing requirement includes all amounts for Kentucky Utilities employees as well as amounts charged to Kentucky Utilities by LG&E and KU Services and Louisville Gas and Electric.
- Note 2:** Headcount information shown on this schedule reflects only those employees of Kentucky Utilities whereas labor dollars and man hours also include charges from LG&E and KU Services and Louisville Gas and Electric.
- Note 3:** This schedule has been revised to reflect updated amounts related to employee benefits and payroll taxes for the forecasted test period. Amounts charged from the Utility were inadvertently excluded for these categories. The updated amounts now reflect both amounts charged to the Utility and from the Utility as previously noted (see Note 1).

CONFIDENTIAL INFORMATION REDACTED

Kentucky Utilities Company
Case No. 2016-00370
Officer Compensation

Updated Base Period: Twelve Months Ended February 28, 2017 (3/1/2016 through 2/28/2017)

Job Title	Salary (1)	Other Compensation (2)
Treasurer		
VP Gas Distribution		
SVP Operations (3)		
Chief Financial Officer		
VP Power Production		
VP State Regulation and Rates		
VP Corporate Responsibility and Community Affairs (4)		
VP Transmission		
VP Customer Services		
SVP Human Resources / VP Human Resources		
VP Deputy General Counsel and Environmental		
General Counsel/Compliance/Corporate Secretary		
Controller		
VP External Affairs		
VP Energy Supply and Analysis		
Chief Information Officer		
Chairman CEO and President (5)	\$811,220	\$2,232,323
Chief Operating Officer (6)		
VP Transmission/Generation Svc		
VP Communications		
VP Electric Distribution		
Average of All Officers	\$299,373	\$331,784

(1) Reflects 2017 annual and other salary adjustments.

(2) Other compensation includes cash based short-term incentives and stock based long-term incentives. None of the incentive pay is included in the cost of service.

(3) Title effective 1/16/2017.

(4) This officer position was not back-filled.

(5) Title changed to Chairman and CEO effective 1/16/2017.

(6) Title changed to President and Chief Operating Officer effective 1/16/2017.

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(h)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A computation of the gross revenue conversion factor for the forecasted period.

Response:

See attached.

Base Period Update Response:

No update is required for this section.

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(i)
Sponsoring Witnesses: Kent W. Blake

Description of Filing Requirement:

Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for the five (5) most recent calendar years from the application filing date, the base period, the forecasted period, and two (2) calendar years beyond the forecast period.

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2016.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

Kentucky Utilities Company
Case No. 2016-00370
Comparative Income Statement
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(i)

Total Company	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2011	2012	2013	2014	2015	2/28/2017	6/30/2018	2018	2019	2020
INCOME STATEMENT										
Operating Revenues										
Electric Operating Revenues	\$ 1,547,516,986	\$ 1,523,825,929	\$ 1,634,793,983	\$ 1,739,900,260	\$ 1,732,900,465	\$ 1,723,350,519	\$ 1,834,046,624	\$ 1,847,053,479	\$ 1,834,013,692	\$ 1,822,383,737
Rate Refunds	-	-	-	(2,700,607)	(3,840,132)	-	-	-	-	-
Total Operating Revenues	1,547,516,986	1,523,825,929	1,634,793,983	1,737,199,653	1,729,060,333	1,723,350,519	1,834,046,624	1,847,053,479	1,834,013,692	1,822,383,737
Operating Expenses										
Fuel for Electric Generation	522,648,642	504,482,305	535,625,319	568,077,779	540,902,679	483,573,092	512,202,807	507,786,765	504,276,586	494,697,752
Power Purchased	109,114,948	105,046,895	79,098,106	108,042,627	52,003,009	43,080,341	57,748,982	58,849,711	52,229,233	54,931,167
Other Operation Expenses	233,508,691	231,533,083	260,213,804	265,953,650	290,543,683	288,431,549	316,964,780	320,443,381	329,360,284	332,977,195
Maintenance	116,303,369	142,533,486	111,758,016	130,920,339	133,441,020	126,328,865	149,291,457	159,593,763	164,133,641	163,175,452
Depreciation & Amortization Expense	186,161,709	193,711,065	185,756,680	196,593,945	220,135,572	235,846,572	313,724,400	320,984,019	346,250,060	360,691,377
Regulatory Debits	-	-	-	-	-	-	1,781,349	3,497,958	9,072,737	13,122,353
Federal & State Income Taxes	(2,486,273)	(20,748,788)	64,134,664	(87,627,907)	(18,299,827)	37,394,546	6,238,253	6,025,860	1,446,205	71,949,319
Deferred Federal & State Income Taxes	111,563,239	115,043,640	69,874,797	225,311,512	161,327,636	116,815,138	125,497,026	122,480,784	105,814,776	17,286,998
Property and Other Taxes	28,115,766	31,089,947	32,726,804	35,625,305	38,301,170	40,078,646	43,865,521	45,270,580	47,669,252	51,545,118
Investment Tax Credit	-	-	-	-	-	-	-	-	-	-
Loss(Gain) from Disposition of Allowances	(3,293)	(887)	(360)	(546)	(157)	(92)	-	-	-	-
Total Operating Expenses	1,304,926,798	1,302,690,747	1,339,187,831	1,442,896,703	1,418,354,785	1,376,149,962	1,527,314,575	1,544,932,821	1,560,252,774	1,560,376,731
Net Operating Income	242,590,188	221,135,182	295,606,152	294,302,950	310,705,548	347,200,557	306,732,048	302,120,658	273,760,918	262,007,005
Other Income less deductions	4,478,792	(6,330,749)	2,714,427	2,640,569	4,648,262	1,348,458	1,075,496	1,175,240	1,194,544	1,197,861
Income before Interest Charges	247,068,980	214,804,434	298,320,579	296,943,519	315,353,809	348,549,015	307,807,544	303,295,897	274,955,462	263,204,867
Interest Charges	70,333,584	68,803,504	70,304,985	77,493,250	82,036,801	95,966,502	96,413,666	97,095,812	102,640,804	107,224,395
Net Income	\$ 176,735,396	\$ 146,000,929	\$ 228,015,594	\$ 219,450,269	\$ 233,317,008	\$ 252,582,513	\$ 211,393,878	\$ 206,200,086	\$ 172,314,659	\$ 155,980,472

Kentucky Utilities Company
Case No. 2016-00370
Revenue Statistics
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(i)

Total Company	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2011	2012	2013	2014	2015	2/28/2017	6/30/2018	2018	2019	2020
Revenue by Customer class:										
Residential	525,604,627	523,091,322	591,313,426	631,062,022	611,903,176	611,844,649	666,571,848	670,101,914	685,260,052	690,475,954
Commercial	346,999,690	347,449,324	364,914,813	381,624,816	379,981,602	390,694,257	412,651,662	416,852,785	425,405,760	429,417,128
Industrial	381,329,627	381,467,139	400,872,504	433,328,131	429,469,774	413,285,903	444,219,950	446,948,419	458,004,842	463,700,631
Public Street and Highway Lighting	11,147,170	10,252,532	10,769,516	11,417,588	11,659,583	12,581,170	12,586,397	12,653,720	12,876,689	12,967,707
Other Sales to Public Authorities	115,557,142	117,194,322	119,852,921	127,593,749	128,411,369	131,125,105	136,069,288	137,398,001	140,490,568	142,004,004
Rate Refunds	-	-	-	(2,700,607)	(3,840,132)	-	-	-	-	-
Total	1,380,638,257	1,379,454,639	1,487,723,182	1,582,325,699	1,557,585,372	1,559,531,084	1,672,099,144	1,683,954,839	1,722,037,911	1,738,565,425
Number of Customers by class:										
Residential	442,874	443,544	446,188	447,301	449,138	452,249	453,858	454,775	456,664	458,604
Commercial	83,584	84,107	83,703	83,615	83,903	84,666	83,412	83,560	83,888	84,244
Industrial	2,475	2,723	2,939	3,044	3,109	2,776	2,496	2,499	2,508	2,519
Public Street and Highway Lighting	1,253	1,378	1,403	1,471	1,486	1,488	737	739	740	741
Other Sales to Public Authorities	7,359	8,299	8,498	8,215	8,418	8,518	8,981	8,990	9,015	9,047
Total	537,545	540,051	542,731	543,646	546,054	549,697	549,484	550,563	552,815	555,155
Average Revenue per class:										
Residential	1,186.80	1,179.34	1,325.26	1,410.82	1,362.39	1,352.89	1,468.68	1,473.48	1,500.58	1,505.60
Commercial	4,151.51	4,131.04	4,359.64	4,564.07	4,528.82	4,614.54	4,947.13	4,988.64	5,071.09	5,097.29
Industrial	154,072.58	140,090.76	136,397.59	142,354.84	138,137.59	148,878.21	177,987.04	178,877.74	182,645.37	184,080.34
Public Street and Highway Lighting	8,896.38	7,440.15	7,676.06	7,761.79	7,846.29	8,455.09	17,073.24	17,127.60	17,390.62	17,511.40
Other Sales to Public Authorities	15,702.83	14,121.50	14,103.66	15,531.80	15,254.38	15,393.88	15,151.36	15,284.19	15,584.44	15,696.02

Kentucky Utilities Company
Case No. 2016-00370
Sales Statistics
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

KU FR_16(8)(i)

Sales Statistics	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2011	2012	2013	2014	2015	2/28/2017	6/30/2018	2018	2019	2020
Ultimate Consumer										
Sales (Kwh) by Customer class:										
Residential	6,549,421,114	6,307,895,640	6,597,443,768	6,740,813,176	6,368,650,026	6,103,677,576	6,484,226,557	6,485,391,226	6,498,920,684	6,472,661,677
Commercial	4,306,625,724	4,153,338,487	4,094,011,868	4,071,635,049	3,996,048,573	3,995,012,808	4,061,425,186	4,053,438,442	4,038,439,019	4,031,106,596
Industrial	6,698,134,754	6,928,121,839	7,033,644,793	7,235,685,005	7,009,766,697	6,669,017,194	6,878,372,703	6,879,871,821	6,887,456,980	6,903,448,120
Public Street and Highway Lighting	50,815,039	45,077,854	42,657,023	43,638,776	43,500,132	44,272,217	54,245,772	54,257,609	54,253,533	54,252,412
Other Sales to Public Authorities	1,651,440,832	1,635,041,814	1,622,057,694	1,632,876,268	1,628,429,202	1,623,014,572	1,607,391,527	1,606,907,626	1,606,553,101	1,608,284,681
Total	19,256,437,463	19,069,475,634	19,389,815,146	19,724,648,274	19,046,394,630	18,434,994,367	19,085,661,746	19,079,866,724	19,085,623,317	19,069,753,486
Number of Customers by class:										
Residential	442,874	443,544	446,188	447,301	449,138	452,249	453,858	454,775	456,664	458,604
Commercial	83,584	84,107	83,703	83,615	83,903	84,666	83,412	83,560	83,888	84,244
Industrial	2,475	2,723	2,939	3,044	3,109	2,776	2,496	2,499	2,508	2,519
Public Street and Highway Lighting	1,253	1,378	1,403	1,471	1,486	1,488	737	739	740	741
Other Sales to Public Authorities	7,359	8,299	8,498	8,215	8,418	8,518	8,981	8,990	9,015	9,047
Total	537,545	540,051	542,731	543,646	546,054	549,697	549,484	550,563	552,815	555,155
Average Volume (Kwh) per class:										
Residential	14,788.45	14,221.58	14,786.24	15,069.97	14,179.72	13,496.28	14,286.90	14,260.65	14,231.30	14,113.83
Commercial	51,524.52	49,381.60	48,911.17	48,695.03	47,627.00	47,185.56	48,690.90	48,509.09	48,140.61	47,850.28
Industrial	2,706,317.07	2,544,297.41	2,393,210.21	2,377,031.87	2,254,669.25	2,402,383.72	2,755,979.80	2,753,462.93	2,746,613.21	2,740,537.71
Public Street and Highway Lighting	40,554.70	32,712.52	30,404.15	29,666.06	29,273.31	29,752.83	73,583.51	73,441.05	73,272.14	73,261.65
Other Sales to Public Authorities	224,411.04	197,016.73	190,875.23	198,767.65	193,446.09	190,539.40	178,983.62	178,752.79	178,212.91	177,767.31

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(j)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A cost of capital summary for both the base period and forecasted period with supporting schedules providing details on each component of the capital structure.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE J

COST OF CAPITAL

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD : FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

FORECASTED PERIOD : FOR THE 12 MONTHS ENDED JUNE 30, 2018

SCHEDULE

DESCRIPTION

J-1	COST OF CAPITAL SUMMARY
J-1.1/J-1.2	AVERAGE FORECASTED PERIOD CAPITAL STRUCTURE
J-2	EMBEDDED COST OF SHORT-TERM DEBT
J-3	EMBEDDED COST OF LONG-TERM DEBT
B-1.1	JURISDICTIONAL RATE BASE FOR CAPITAL ALLOCATION

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
COST OF CAPITAL SUMMARY
AS OF FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE J-1
PAGE 2 OF 2
WITNESS: D. K. ARBOUGH

LINE NO.	CLASS OF CAPITAL	WORKPAPER REFERENCE	AMOUNT	ADJUSTMENT AMOUNT	ADJUSTED CAPITAL	JURISDICTIONAL RATE BASE PERCENTAGE	JURISDICTIONAL CAPITAL	JURISDICTIONAL ADJUSTMENTS	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	COST RATE	WEIGHTED COST
	(A)	(B)	(C)	(D)	(E=C+D)	(F)	(G=ExF)	(H)	(I=G+H)	(J)	(K)	(L=JxK)
			\$	\$	\$	%	\$	\$	\$		%	%
1	SHORT-TERM DEBT	J-2	17,998,694	(4,375)	17,994,320	89.14%	16,040,136	(3,297,575)	12,742,561	0.36%	0.92%	0.00%
2	LONG-TERM DEBT	J-3	2,313,162,157	(562,258)	2,312,599,899	89.14%	2,061,451,550	(423,798,839)	1,637,652,711	46.04%	4.12%	1.90%
3	COMMON EQUITY		<u>2,693,389,639</u>	<u>(1,158,746)</u>	<u>2,692,230,893</u>	89.14%	<u>2,399,854,618</u>	<u>(493,368,666)</u>	<u>1,906,485,951</u>	<u>53.60%</u>	<u>10.23%</u>	<u>5.48%</u>
4	TOTAL CAPITAL		<u>5,024,550,490</u>	<u>(1,725,379)</u>	<u>5,022,825,111</u>		<u>4,477,346,304</u>	<u>(920,465,080)</u>	<u>3,556,881,223</u>	<u>100.00%</u>		<u>7.38%</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
EMBEDDED COST OF SHORT-TERM DEBT
AS OF FEBRUARY 28, 2017

DATA: BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S):

SCHEDULE J-2

PAGE 1 OF 3

WITNESS: D. K. ARBOUGH

LINE NO.	ISSUE	AMOUNT OUTSTANDING	INTEREST RATE	INTEREST REQUIREMENT
	(A)	(B)	(C)	(D=BxC)
		\$	%	\$
1	Commercial Paper	17,998,694	0.922%	165,988
2				-
3		_____		_____
4	Total	17,998,694	0.922%	165,988
5	Weighted Cost of Short-Term Debt		<u>0.922%</u>	

KENTUCKY UTILITIES COMPANY
CASE NO. 2016-00370
EMBEDDED COST OF LONG-TERM DEBT
AS OF FEBRUARY 28, 2017

DATA: X BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF BASE PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISD
WORKPAPER REFERENCE NO(S):

SCHEDULE J-3
PAGE 1 OF 3
WITNESS: D. K. ARBOUGH

LINE NO.	DEBT ISSUE TYPE	COUPON RATE	DATE ISSUED (DAY/MO/YR)	MATURITY DATE (DAY/MO/YR)	PRINCIPAL AMOUNT	UNAMORT. (DISCOUNT) OR PREMIUM	UNAMORT. DEBT EXPENSE	UNAMORT. LOSS ON REACQUIRED DEBT	CARRYING VALUE	INTEREST	ANNUAL COST					TOTAL
											(A)	(B)	(C)	(D)	(E)	
		%			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Kentucky Utilities PCB 14483RAN7 Variable due Feb 1, 2032	0.70%	Oct. 17, 2008	Feb 1, 2032	77,947,405		515,617	1,360,893	76,070,894	545,632		31,605	83,914	546,783		1,207,934
2	Kentucky Utilities_PCB 14483RAP2 Variable due Oct 1, 2034	0.70%	Feb. 23, 2007	Oct 1, 2034	54,000,000		845,681	231,734	52,922,585	378,000		43,945	12,181	378,797		812,923
3	Kentucky Utilities_PCB due Feb 1, 2026	5.75%	May 24, 2007	Feb 1, 2026	17,875,000		97,633	199,868	17,577,499	1,027,813		10,061	20,611	-		1,058,485
4	Kentucky Utilities_PCB due Mar 1, 2037	6.00%	May 24, 2007	Mar 1, 2037	8,927,000		105,473	216,066	8,605,461	535,620		4,849	9,939	-		550,409
5	Kentucky Utilities_PCB PCS 13 Variable due Feb 1, 2032	0.75%	May 23, 2002	Feb 1, 2032	2,400,000		42,778	62,003	2,295,220	18,000		2,460	3,823	2,209		26,493
6	Kentucky Utilities_PCB PCS 14 Variable due Feb 1, 2032	0.75%	May 23, 2002	Feb 1, 2032	2,400,000		17,195	192,534	2,190,272	18,000		989	11,872	2,209		33,070
7	Kentucky Utilities_PCB PCS 15 Variable due Feb 1, 2032	0.75%	May 23, 2002	Feb 1, 2032	7,400,000		47,617	190,283	7,162,100	55,500		2,739	11,733	6,812		76,784
8	Kentucky Utilities_PCB PCS 17 Variable due Oct 1, 2034	0.70%	Oct. 20, 2004	Oct 1, 2034	50,000,000		179,538	1,669,401	48,151,061	350,000		9,330	87,342	350,369		797,041
9	Kentucky Utilities_PCB Variable due Feb 1, 2032	0.75%	May 23, 2002	Feb 1, 2032	20,930,000		61,460	541,595	20,326,944	156,975		3,676	33,395	19,267		213,313
10	Kentucky Utilities_PCB Variable due May 1, 2023	0.73%	May 19, 2000	May 1, 2023	12,900,000		68,305	221,226	12,610,470	94,170		10,165	33,018	90,015		227,367
11	Kentucky Utilities_PCB due Sept. 1, 2042	1.05%	Aug. 25, 2016	Sep 1, 2042	96,000,000		802,043	4,101,563	91,096,395	1,008,000		194,365	147,923	-		1,350,288
12	Kentucky Utilities_FMB due Nov. 1, 2020	3.25%	Nov. 16, 2010	Nov. 1, 2020	500,000,000	(699,031)	1,544,667	-	497,756,302	16,250,000		174,557	386,566	-		16,811,123
13	Kentucky Utilities_FMB due Nov. 1, 2040	5.125%	Nov. 16, 2010	Nov. 1, 2040	750,000,000	(6,430,222)	5,920,057	-	737,649,720	38,437,500		249,858	229,941	-		38,917,299
14	Kentucky Utilities_FMB due Nov 1, 2043	4.65%	Nov. 14, 2013	Nov. 15, 2043	250,000,000	(1,602,538)	2,466,647	-	245,930,816	11,625,000		55,193	84,916	-		11,765,109
15	Kentucky Utilities_FMB due Oct. 1, 2025	3.30%	Sep. 28, 2015	Oct. 1, 2025	250,000,000	(92,196)	1,731,904	-	248,175,900	8,250,000		9,880	185,421	-		8,445,301
16	Kentucky Utilities_FMB due Oct. 1, 2045	4.375%	Sep. 28, 2015	Oct. 1, 2045	250,000,000	(197,627)	2,457,030	-	247,345,343	10,937,500		6,361	79,028	-		11,022,889
17	Revolving Credit Facility				-	-	2,229,524	145,532	(2,375,057)	-		-	412,376	34,897	373,333	820,607
18	L of C Facility				-	-	130,299	61,110	(191,409)	-		-	203,630	95,675	-	299,306
19	Called Bonds				-	-	-	138,357	(138,357)	-		-	-	5,359	-	5,359
20	2013 30-Year - Swap Hedging FMB - 4.65%									(1,319,492)		-	-	-		(1,319,492)
21	2015 10-Year - Swap Hedging FMB -3.30%									1,293,719						1,293,719
22	2015 30-Year - Swap Hedging FMB - 4.375%									907,712						907,712
23																
24																
25				TOTALS	2,350,779,405	(9,021,613)	19,263,468	9,332,166	2,313,162,157	90,569,649		495,849	1,896,063	591,683	1,769,795	95,323,039
26																
27																4.12%

EMBEDDED COST OF LONG-TERM DEBT (N / H)

KENTUCKY UTILITIES COMPANY

Net Original Cost Kentucky Jurisdictional Rate Base as of February 28, 2017

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Kentucky Jurisdictional ECR Rate Base (3)	Kentucky Jurisdictional DSM Rate Base (4)	Kentucky Jurisdictional ARO Rate Base (5)	Kentucky Jurisdictional Pro Forma Adjustments (6)	Kentucky Jurisdictional Pro Forma Base Rate Base (7)	Other Jurisdictional Rate Base (8)	Total Company Rate Base (9)
						(2 - 3 - 4 - 5 - 6)		(2 + 8)
1. Utility Plant at Original Cost	\$ 8,260,598,091	\$ 1,198,229,722	\$ 8,042,755	\$ 219,816,653	\$ -	\$ 6,834,508,961	\$ 1,039,987,081	\$ 9,300,585,172
2. Deduct:								
3. Reserve for Depreciation	2,724,374,651	50,864,112	942,492	84,226,493	-	2,588,341,554	359,254,604	3,083,629,255
4. Net Utility Plant	5,536,223,440	1,147,365,610	7,100,263	135,590,160	-	4,246,167,407	680,732,477	6,216,955,917
5. Deduct:								
6. Customer Advances for Construction	1,467,581	-	-	-	-	1,467,581	25,185	1,492,766
7. Accumulated Deferred Income Taxes	1,037,290,493	237,855,143	1,909,538	-	-	797,525,813	127,023,991	1,164,314,484
8. Investment Tax Credit (a)	83,107,975	-	-	-	-	83,107,975	12,358,365	95,466,340
9. Total Deductions	1,121,866,049	237,855,143	1,909,538	-	-	882,101,369	139,407,541	1,261,273,590
10. Net Plant Deductions	4,414,357,391	909,510,467	5,190,725	135,590,160	-	3,364,066,039	541,324,936	4,955,682,327
11. Add:								
12. Materials and Supplies (b)	136,283,327	-	-	-	-	136,283,327	18,250,497	154,533,824
13. Prepayments (b)(c)	13,111,620	-	-	-	-	13,111,620	860,830	13,972,451
14. Emission Allowances (b)	120,033	120,033	-	-	-	-	16,812	136,845
15. Cash Working Capital (page 2)	100,025,783	2,744,974	-	-	-	97,280,809	7,645,310	107,671,093
16. Unamortized Closure Costs	2,898,882	2,898,882	-	-	-	-	406,035	3,304,917
17. Total Additions	252,439,644	5,763,888	-	-	-	246,675,756	27,179,486	279,619,130
18. Total Net Original Cost Rate Base	<u>\$ 4,666,797,036</u>	<u>\$ 915,274,355</u>	<u>\$ 5,190,725</u>	<u>\$ 135,590,160</u>	<u>\$ -</u>	<u>\$ 3,610,741,795</u>	<u>\$ 568,504,422</u>	<u>\$ 5,235,301,457</u>
19. ARO Balance Sheet Offset				(135,590,160)	-	135,590,160		-
20. Total Net Original Cost Rate Base for Capital Allocation	<u>\$ 4,666,797,036</u>	<u>\$ 915,274,355</u>	<u>\$ 5,190,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,746,331,955</u>	<u>\$ 568,504,422</u>	<u>\$ 5,235,301,457</u>
21. Percentage of Rate Base to Total Company Rate Base	<u>89.14%</u>	<u>17.48%</u>	<u>0.10%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>71.56%</u>	<u>10.86%</u>	<u>100.00%</u>

(a) Reflects investment tax credit treatment per Case No. 2007-00178.
 (b) Average for 13 months.
 (c) Excludes PSC fees.

KENTUCKY UTILITIES

**Calculation of Cash Working Capital
As of February 28, 2017**

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Kentucky Jurisdictional ECR Rate Base (3)	Kentucky Jurisdictional DSM Rate Base (4)	Kentucky Jurisdictional ARO Rate Base (5)	Kentucky Jurisdictional Pro Forma Adjustments (6)	Kentucky Jurisdictional Pro Forma Base Rate Base (7)	Other Jurisdictional Rate Base (8)	Total Company Rate Base (9)
						(2 - 3 - 4 - 5 - 6)		(2 + 8)
1. Operating and maintenance expense for the 12 months ended February 28, 2017	\$ 838,093,707	\$ 21,959,792	\$ -	\$ -	\$ -	\$ 816,133,914	\$ 103,320,140	\$ 941,413,847
2. Deduct:								
3. Electric Power Purchased	<u>37,887,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,887,442</u>	<u>5,192,899</u>	<u>43,080,341</u>
4. Total Deductions	<u>\$ 37,887,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,887,442</u>	<u>\$ 5,192,899</u>	<u>\$ 43,080,341</u>
5. Remainder (Line 1 - Line 4)	<u>\$ 800,206,265</u>	<u>\$ 21,959,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778,246,472</u>	<u>\$ 98,127,242</u>	<u>\$ 898,333,507</u>
6. Cash Working Capital	<u>\$ 100,025,783</u>	<u>\$ 2,744,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,280,809</u>	<u>\$ 7,645,310</u>	<u>\$ 107,671,093</u>

Kentucky Jurisdictional (12 1/2% of Line 5)
 Other Jurisdictional comprised of FERC, Tennessee,
 and Virginia Jurisdictional methodologies.

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(k)
Sponsoring Witnesses: Kent W. Blake

Description of Filing Requirement:

Comparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period.

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2016.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

Kentucky Utilities Company
Case No. 2016-00370
Comparative financial data
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

Line No.	Description	Forecasted Period											
		(a)	Base Period	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
1	Utility Plant in Service (\$000)												
2	Electric Plant												
3	Electric Distribution	\$ 1,881,655	\$ 1,757,442	\$ 1,662,187	\$ 1,607,084	\$ 1,534,956	\$ 1,475,676	\$ 1,406,474	\$ 1,349,275	\$ 1,302,009	\$ 1,231,342	\$ 1,038,231	\$ 1,013,864
4	Electric General	214,656	183,484	177,719	174,933	152,501	143,158	137,494	126,013	112,810	109,060	97,982	106,184
5	Hydro Production Plant	42,705	42,347	39,799	39,469	38,944	33,953	28,640	16,849	12,859	11,843	10,975	9,945
6	Electric Intangible Plant	120,589	99,901	92,355	81,831	70,120	60,375	58,649	52,326	51,698	27,889	24,723	25,651
7	Electric Other Production	1,033,399	994,521	969,359	550,836	548,183	540,195	526,993	523,150	523,200	503,261	497,591	490,395
8	Electric Steam Production	5,344,215	5,139,882	5,065,548	4,564,415	3,896,763	3,797,974	3,627,077	2,725,170	2,239,550	2,023,377	1,678,194	1,528,205
9	Electric Transmission	1,030,110	881,571	807,381	768,438	728,201	690,259	656,885	627,463	529,058	529,108	520,265	506,490
10	Total Electric Plant - Gross	9,667,329	9,099,148	8,814,348	7,787,006	6,969,668	6,741,590	6,442,212	5,420,246	4,771,184	4,435,880	3,867,961	3,680,734
11	Less: Accumulated Depreciation and Amortization	3,440,759	3,083,629	2,849,852	2,798,969	2,647,411	2,519,600	2,395,038	2,261,927	2,168,491	2,052,492	1,931,455	1,850,012
12	Electric Plant in Service-Net	\$ 6,226,571	\$ 6,015,519	\$ 5,964,496	\$ 4,988,037	\$ 4,322,257	\$ 4,221,990	\$ 4,047,174	\$ 3,158,319	\$ 2,602,693	\$ 2,383,388	\$ 1,936,506	\$ 1,830,722
13	Plant Purchased or Sold	-	-	-	-	-	-	484	484	-	-	-	-
14	Plant Held for Future Use	748	748	634	634	325	-	793	121,621	120,828	10,138	-	-
15	Construction Work In Progress	431,089	200,689	267,027	880,068	1,138,613	490,182	339,711	954,430	1,257,409	1,176,440	1,071,389	487,244
16	Net Utility Plant	\$ 6,658,407	\$ 6,216,956	\$ 6,232,157	\$ 5,868,739	\$ 5,461,195	\$ 4,712,172	\$ 4,388,162	\$ 4,234,854	\$ 3,980,930	\$ 3,569,966	\$ 3,007,895	\$ 2,317,966
17	Capital Structure: (\$000)												
18	(\$'s Based on Period-End Accounts)												
19	Short-Term Debt	\$ 187,655	\$ 17,999	\$ 47,997	\$ 235,592	\$ 149,967	\$ 69,992	\$ -	\$ 10,434	\$ 77,975	\$ 16,247	\$ 23,219	\$ 150,043
20	Long-Term Debt	2,342,477	2,341,758	2,341,131	2,090,768	2,090,070	1,841,227	1,840,592	1,839,956	1,648,779	1,531,779	1,263,753	789,385
21	Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-
22	Common Equity	2,853,540	2,693,390	2,679,353	2,599,430	2,437,296	2,176,783	2,128,238	2,075,467	1,951,966	1,744,720	1,435,516	1,193,198
23	Total	\$ 5,383,673	\$ 5,053,147	\$ 5,068,481	\$ 4,925,790	\$ 4,677,333	\$ 4,088,002	\$ 3,968,830	\$ 3,925,857	\$ 3,678,720	\$ 3,292,746	\$ 2,722,488	\$ 2,132,626
24	Condensed Income Statement Data: (\$000)												
25	Operating Revenues	\$ 1,834,047	\$ 1,723,351	\$ 1,729,060	\$ 1,737,200	\$ 1,634,794	\$ 1,523,826	\$ 1,547,517	\$ 1,511,710	\$ 1,356,189	\$ 1,404,042	\$ 1,272,549	\$ 1,210,019
26	Operating Expenses (Excluding Income Taxes)	1,351,714	1,177,261	1,237,026	1,269,588	1,172,452	1,177,306	1,167,734	1,139,345	1,065,322	1,124,734	986,465	956,644
27	Federal and State Income Taxes	6,238	37,395	(18,299)	(87,627)	64,135	(20,749)	(2,486)	74,415	(3,134)	53,239	40,822	60,073
28	Deferred Federal and State Income Taxes	125,497	116,815	161,327	225,311	69,875	115,044	111,563	25,586	53,275	(13,353)	(6,848)	671
29	Property and Other Taxes	43,866	40,078	38,300	35,625	32,726	31,090	28,116	19,896	20,955	20,661	18,440	18,600
30	Investment Tax Credit	-	4,601	-	-	-	-	-	-	21,416	25,267	42,567	12,000
31	Net Operating Income	306,732	347,201	310,706	294,303	295,606	221,135	242,590	252,468	198,355	193,494	191,103	162,029
32	AFUDC - Equity	-	332	1,976	1,388	485	50	43	521	3,906	6,041	3,328	384
33	Amortization of Investment Tax Credit	1,931	1,846	1,846	1,871	1,871	2,800	2,686	-	-	-	-	-
34	Other Income (Deductions), Net	(857)	(830)	826	(619)	359	(9,181)	1,750	1,130	6,133	29,381	28,451	27,804
35	Income before Interest Charges	307,806	348,549	315,354	296,943	298,321	214,804	247,069	254,119	208,394	228,916	222,882	190,217
36	Interest Charges	96,414	95,966	82,037	77,493	70,305	68,803	70,334	78,625	75,067	71,650	55,919	38,396
37	Net Income	211,393	252,583	233,317	219,450	228,016	146,001	176,735	175,494	133,327	157,266	166,963	151,821
38	Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	-
39	Net Income Available for Common Equity	\$ 211,393	\$ 252,583	\$ 233,317	\$ 219,450	\$ 228,016	\$ 146,001	\$ 176,735	\$ 175,494	\$ 133,327	\$ 157,266	\$ 166,963	\$ 151,821

(a) Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding.

Kentucky Utilities Company
Case No. 2016-00370
Comparative financial data
Base Period: Twelve Months Ended February 28, 2017
Forecasted Test Period: Twelve Months Ended June 30, 2018

Line No.	Description	Forecasted Period (a)	Base Period	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
40	Net Free Cash Flow before dividends (millions)												
41	Net operating cash flows	634	548	608	566	495	500	444	374	253	292	311	233
42	Net investing cash flows	(595)	(325)	(512)	(603)	(853)	(480)	(279)	(429)	(507)	(695)	(737)	(348)
43	Total	\$ 39	\$ 223	\$ 96	\$ (37)	\$ (358)	\$ 20	\$ 165	\$ (55)	\$ (254)	\$ (403)	\$ (426)	\$ (115)
44	Cost of Capital:												
45	Embedded Cost of Debt (Short and Long Term)	3.85%	4.12%	3.96%	3.36%	3.52%	3.57%	3.68%	3.76%	4.56%	4.64%	5.24%	4.88%
46	Embedded Cost of Preferred Stock	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
47	Fixed Charge Coverages:												
48	Ratio of Earnings to Fixed Charges	4.5	5.5	5.4	5.4	5.9	4.2	4.8	4.2	3.7	3.9	5.1	6.5
49	Stock and Bond Ratings:												
50	Moody's Senior Secured	A1	A1	A1	A1	A2	A2	A2	A2	N/A	N/A	N/A	A1
51	S&P Senior Secured	A	A	A	A-	A-	A-	A-	A	N/A	N/A	N/A	A
52	Fitch Senior Secured	N/A	N/A	N/A	A+	A+	A+	A+	A+	N/A	N/A	N/A	N/A
53	Moody's Commercial Paper	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-1	P-1	P-1	P-1
54	S&P Commercial Paper	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2
55	Fitch Commercial Paper	N/A	N/A	N/A	F2	F2	F2	F2	F2	N/A	N/A	N/A	N/A
56	Moody's Preferred Stock	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
57	S&P Preferred Stock	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
58	Common Stock Related Data:												
59	Dividend Payout Ratio (Declared Basis)	0.65	0.98	0.66	0.67	0.54	0.68	0.70	0.28	-	-	-	-
60	Rate of Return Measures:												
61	Return on Common Equity (13 Month Average)	7.58%	9.34%	8.81%	8.69%	9.88%	6.78%	8.39%	8.69%	7.22%	9.97%	12.88%	13.83%

(a) Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding.

(57) In 2006 through 2009, under the Company's previous owner, dividends were netted with capital contributions whenever the owner made contributions to Kentucky Utilities Company. In November and December 2010, dividend payments changed due to the acquisition of Kentucky Utilities Company by PPL Corporation.

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(1)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A narrative description and explanation of all proposed tariff changes.

Response:

Please refer to the testimony of Robert M. Conroy and also refer to the Proposed Tariff Sheets under KAR 5:001 Section 16(1)(b)(3)[Tab No. 4] and the Side By Side Comparisons under KAR 5:001 Section 16(1)(b)(4)[Tab No. 5].

Base Period Update Response:

No update is required for this section.

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(m)
Sponsoring Witness: William Steven Seelye

Description of Filing Requirement:

A revenue summary for both the base period and forecasted period with supporting schedules, which provide detailed billing analyses for all customer classes.

Response:

See attached.

Base Period Update Response:

See attached for the updated base period to reflect 12 months of actuals.

SCHEDULE M

BILLING DETERMINANTS AND EXHIBITS FOR THE BASE PERIOD

KENTUCKY UTILITIES COMPANY

CASE NO. 2016-00370

BASE PERIOD: FOR THE 12 MONTHS ENDED FEBRUARY 28, 2017

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
M-1.1	BASE PERIOD REVENUES AT CURRENT RATES
M-1.2	AVERAGE BILL AT CURRENT RATES
M-1.3, Page 1	SUMMARY OF BASE REVENUES
M-1.3, Pages 2-20	DETAILED CALCULATION OF BASE PERIOD REVENUES

FORECASTED PERIOD: FOR THE 12 MONTHS ENDED JUNE 30, 2018

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
M-2.1	FORECAST PERIOD REVENUES AT CURRENT AND PROPOSED RATES
M-2.2	AVERAGE BILL COMPARISON AT CURRENT AND PROPOSED RATES
M-2.3, Pages 1-2	SUMMARY OF PROPOSED REVENUE INCREASE
M-2.3, Pages 3-21	CALCULATION OF PROPOSED RATE INCREASE

Kentucky Utilities Company
Case No. 2016-00370
Base Period Revenues at Current Rates
for the Twelve Months Ending February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Schedule M-1.1
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Witness: W. S. SEELYE

Rate Class	Total Revenue at Present Rates
Residential Service	\$ 575,046,204
Residential Time-of-Day Service	\$ 18,239
General Service	\$ 215,735,205
All Electric School Service	\$ 11,899,586
Power Service Secondary	\$ 178,131,141
Power Service Primary	\$ 13,837,797
Time-of-Day Secondary Service	\$ 125,285,047
Time-of-Day Primary Service	\$ 252,380,054
Retail Transmission Service	\$ 82,647,665
Fluctuating Load Service	\$ 30,336,214
Curtable Service Riders	\$ (17,887,183)
Electric Vehicle Charging	\$ 104
Lighting Energy Service	\$ 34,618
Traffic Energy Service	\$ 169,956
Lighting Service and Restricted Lighting Service	<u>\$ 28,780,044</u>
Sales to Ultimate Customers	\$ 1,496,414,691
Other Operating Revenue:	
Late Payment Charge	\$ 3,867,519
Electric Service Revenues	\$ 2,067,117
Rent from Electric Property	\$ 3,062,378
Other Miscellaneous Revenues	<u>\$ 19,028,461</u>
Total Operating Revenues	\$ 1,524,440,165

Kentucky Utilities Company
Case No. 2016-00370
Average Bill at Current Rates
for the Twelve Months Ending February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Schedule M-1.2
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Witness: W. S. SEELYE

Rate Class	Customer Months	kWh Billed	Average Consumption in kWh	Annual Revenues at Present Rates	Average Bill at Present Rates
Residential Service Rate RS	5,145,103	5,816,285,761	1,130	\$ 575,046,204	\$ 111.77
Residential Time-of-Day Service Rate RTOD	<u>185</u>	<u>197,647</u>	<u>1,068</u>	<u>\$ 18,239</u>	<u>\$ 98.59</u>
Residential Service Rates RS & RTOD	5,145,288	5,816,483,408	1,130	\$ 575,064,443	\$ 111.77
General Service Rate	995,356	1,781,405,201	1,790	\$ 215,735,205	\$ 216.74
All Electric School Service Rate	7,053	141,983,206	20,131	\$ 11,899,586	\$ 1,687.17
Power Service Secondary	55,885	1,987,565,327	35,565	\$ 178,131,141	\$ 3,187.46
Power Service Primary	<u>2,516</u>	<u>155,317,265</u>	<u>61,732</u>	<u>\$ 13,837,797</u>	<u>\$ 5,499.92</u>
Power Service Rate	58,401	2,142,882,592	36,693	\$ 191,968,938	\$ 3,287.08
Time of Day Secondary	7,651	1,730,044,237	226,120	\$ 125,285,047	\$ 16,374.99
Time of Day Primary	<u>2,983</u>	<u>4,093,907,310</u>	<u>1,372,413</u>	<u>\$ 252,380,054</u>	<u>\$ 84,606.12</u>
Time of Day Service	10,634	5,823,951,547	547,673	\$ 377,665,101	\$ 35,514.87
Retail Transmission Service	329	1,449,288,135	4,405,131	\$ 82,647,665	\$ 251,208.71
Fluctuating Load Service	12	574,128,000	47,844,000	\$ 30,336,214	\$ 2,528,017.83
Curtable Service Riders	79	-	-	\$ (17,887,183)	\$ (226,420.04)
Electric Vehicle Charging Rate EVC	-	-	-	\$ 104	\$ -
Lighting Energy Service	48	491,813	10,246	\$ 34,618	\$ 721.21
Traffic Energy Service	9,164	1,556,463	170	\$ 169,956	\$ 18.55
Lighting Service and Restricted Lighting Service	2,066,137	123,110,242	60	28,780,044	\$ 13.93

Kentucky Utilities Company
Case No. 2016-00370
Summary of Base Revenues
for the Twelve Months Ended February 28, 2017

DATA: X BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL X UPDATED REVISED
WORK PAPER REFERENCE NO(S):

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Rate Class	Revenue As Billed	Adjustment to Remove Fuel Adjustment Clause	Adjustment to Remove DSM	Adjustment to Remove ECR	Adjustment to Remove Off-System Sales Adjustment Clause	Adjustment to Remove Rent from Elec Property Billings	Actual Net Revenue at Base Rates	Calculated Net Revenue at Base Rates
Residential Service Rate RS	\$ 575,046,204	\$ (27,146,076)	\$ 15,505,690	\$ 15,942,697	\$ (249,659)	\$ -	\$ 570,993,552	\$ 570,993,552
Residential Time-of-Day Service Rate RTOD	\$ 18,239	\$ (942)	\$ 533	\$ 486	\$ (9)	\$ -	\$ 18,172	\$ 18,172
Residential Service Rates RS & RTOD	\$ 575,064,443	\$ (27,147,018)	\$ 15,506,223	\$ 15,943,183	\$ (249,668)	\$ -	\$ 571,011,724	\$ 571,011,724
General Service Rate	\$ 215,735,205	\$ (8,330,963)	\$ 2,757,191	\$ 7,144,015	\$ (73,595)	\$ -	\$ 214,238,557	\$ 214,238,557
All Electric School Rate	\$ 11,899,586	\$ (662,564)	\$ 127,889	\$ 330,106	\$ (6,213)	\$ -	\$ 12,110,368	\$ 12,110,368
Power Service Secondary	\$ 178,131,141	\$ (9,326,443)	\$ 699,761	\$ 5,354,020	\$ (81,305)	\$ -	\$ 181,485,107	\$ 181,485,107
Power Service Primary	\$ 13,837,797	\$ (723,688)	\$ 46,827	\$ 416,009	\$ (6,281)	\$ -	\$ 14,104,930	\$ 14,104,930
Power Service Rate	\$ 191,968,938	\$ (10,050,131)	\$ 746,588	\$ 5,770,029	\$ (87,586)	\$ -	\$ 195,590,037	\$ 195,590,037
Time of Day Secondary	\$ 125,285,047	\$ (8,125,849)	\$ 370,746	\$ 3,429,878	\$ (72,560)	\$ -	\$ 129,682,832	\$ 129,682,832
Time of Day Primary	\$ 252,380,054	\$ (19,383,075)	\$ 371,934	\$ 6,447,233	\$ (170,284)	\$ -	\$ 265,114,247	\$ 265,114,247
Time of Day Service	\$ 377,665,101	\$ (27,508,924)	\$ 742,680	\$ 9,877,111	\$ (242,844)	\$ -	\$ 394,797,079	\$ 394,797,079
Retail Transmision Service	\$ 82,647,665	\$ (6,955,489)	\$ -	\$ 2,095,096	\$ (62,384)	\$ -	\$ 87,570,441	\$ 87,570,441
Fluctuating Load Service	\$ 30,336,214	\$ (2,826,034)	\$ -	\$ 758,683	\$ (23,922)	\$ -	\$ 32,427,486	\$ 32,427,486
Curtable Service Rider	\$ (17,887,183)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,887,183)	\$ (17,887,183)
Electric Vehicle Charging	\$ 104	\$ -	\$ -	\$ 1	\$ -	\$ 88	\$ 14	\$ 14
Lighting Energy	\$ 34,618	\$ (2,408)	\$ -	\$ 1,011	\$ (25)	\$ -	\$ 36,040	\$ 36,040
Traffic Energy	\$ 169,956	\$ (7,505)	\$ -	\$ 4,832	\$ (70)	\$ -	\$ 172,699	\$ 172,699
Lighting Service	\$ 24,946,921	\$ (496,009)	\$ -	\$ 690,795	\$ (4,555)	\$ -	\$ 24,756,690	\$ 24,756,690
Restricted Lighting Service	\$ 3,833,123	\$ (88,446)	\$ -	\$ 107,310	\$ (834)	\$ -	\$ 3,815,094	\$ 3,815,094
Total Lighting Service	\$ 28,780,044	\$ (584,455)	\$ -	\$ 798,105	\$ (5,390)	\$ -	\$ 28,571,784	\$ 28,571,784
TOTAL ULTIMATE CUSTOMERS	\$ 1,496,414,691	\$ (84,075,491)	\$ 19,880,571	\$ 42,722,172	\$ (751,697)	\$ 88	\$ 1,518,639,046	\$ 1,518,639,046
Late Payment Charges	\$ 3,867,519						\$ 3,867,519	\$ 3,867,519
Electric Service Revenues	\$ 2,067,117						\$ 2,067,117	\$ 2,067,117
Rent from Electric Property	\$ 3,062,378						\$ 3,062,378	\$ 3,062,378
Other Miscellaneous Electric Revenue	\$ 19,028,461						\$ 19,028,461	\$ 19,028,461
TOTAL JURISDICTIONAL	\$ 1,524,440,165	\$ (84,075,491)	\$ 19,880,571	\$ 42,722,172	\$ (751,697)	\$ 88	\$ 1,546,664,521	\$ 1,546,664,521

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
RESIDENTIAL RATE RS, inclusive of Volunteer Fire Department customers				
Basic Service Charges	5,145,103		\$ 10.75	\$ 55,309,857
Partial month, prorated and corrected billings				(211,567)
Minimum and Partial Month Billings, Energy		5,816,285,761	\$ 0.08870	\$ 515,904,547 (9,285)
Total Calculated at Base Rates				\$ 570,993,552
Correction Factor				<u>1.000000000</u>
Total After Application of Correction Factor				\$ 570,993,552
FAC Mechanism Revenues				\$ (27,146,076)
DSM Mechanism Revenues				\$ 15,505,690
ECR Mechanism Revenues				\$ 15,942,697
OSS Mechanism Revenues				\$ (249,659)
Total Base Period Adjusted Revenues				<u>\$ 575,046,204</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
RESIDENTIAL RATE RTOD, Residential Time-of-Day Demand and Residential Time-of-Day Energy					
Basic Service Charges	185			\$ 10.75	\$ 1,989
Partial month, prorated and corrected billings					\$ (47)
Energy Used (RTOD-Demand Only)			2,234	\$ 0.04370	\$ 98
Energy Used, Off-Peak (RTOD-Energy Only)			176,771	\$ 0.05740	\$ 10,146
Energy Used, Peak (RTOD-Energy Only)			20,876	\$ 0.27646	\$ 5,771
Minimum and Partial Month Billings, Energy					\$ 2
Minimum and Partial Month Billings, Demand					\$ (86)
Peak Demand		17		\$ 13.05	\$ 219
Off-Peak Demand		22		\$ 3.70	\$ 81
Total Calculated at Base Rates					\$ 18,172
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 18,172
FAC Mechanism Revenues					\$ (942)
DSM Mechanism Revenues					\$ 533
ECR Mechanism Revenues					\$ 486
OSS Mechanism Revenues					\$ (9)
Total Base Period Adjusted Revenues					<u>\$ 18,239</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
GENERAL SERVICE RATE GS					
Single Phase Basic Service Charge	768,663			\$ 25.00	\$ 19,216,575
Single Phase Partial Month, Prorated and Corrected Billings					\$ 211,828
Single Phase Energy Charge			730,327,375	\$ 0.10426	\$ 76,143,932
Single Phase Minimum and Partial Month Billings, Energy					\$ 7,983
Three Phase Basic Service Charge	226,693			\$ 40.00	\$ 9,067,720
Three Phase Partial Month, Prorated and Corrected Billings					\$ 5,509
Three Phase Energy Charge			1,051,077,826	\$ 0.10426	\$ 109,585,374
Three Phase Minimum and Partial Month Billings, Energy					\$ (366)
Total Calculated at Base Rates					\$ 214,238,556
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 214,238,556
FAC Mechanism Revenues					\$ (8,330,963)
DSM Mechanism Revenues					\$ 2,757,191
ECR Mechanism Revenues					\$ 7,144,015
OSS Mechanism Revenues					\$ (73,595)
Total Base Period Adjusted Revenues					<u>\$ 215,735,205</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
ALL ELECTRIC SCHOOLS RATE AES				
Single Phase Customer Charge	3,903		\$ 25.00	\$ 97,575
Single Phase Partial Month, Prorated and Corrected Billings				\$ 1,120
Single Phase Energy Charge		6,138,365	\$ 0.08369	\$ 513,720
Single Phase Minimum and Partial Month Billings, Energy				\$ (1)
Three Phase Customer Charge	3,150		\$ 40.00	\$ 126,000
Three Phase Partial Month, Prorated and Corrected Billings				\$ 1,153
Three Phase Energy Charge		135,844,841	\$ 0.08369	\$ 11,368,855
Three Phase Minimum and Partial Month Billings, Energy				\$ 1,946
Total Calculated at Base Rates				\$ 12,110,368
Correction Factor				<u>1.000000000</u>
Total After Application of Correction Factor				\$ 12,110,368
FAC Mechanism Revenues				\$ (662,564)
DSM Mechanism Revenues				\$ 127,889
ECR Mechanism Revenues				\$ 330,106
OSS Mechanism Revenues				\$ (6,213)
Total Base Period Adjusted Revenues				<u>\$ 11,899,586</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
POWER SERVICE RATE PS-Secondary					
Basic Service Charges	55,885			\$ 90.00	\$ 5,029,650
Partial month, prorated and corrected billings					\$ (2,966)
All Energy			1,987,565,327	\$ 0.03572	\$ 70,995,833
Minimum and Partial Month Billings, Energy					\$ 117
Summer Demand, kW		2,421,931		\$ 19.05	\$ 46,137,791
Winter Demand, kW		3,466,438		\$ 16.95	\$ 58,756,126
Partial Month and Prorated Billings, Demand					\$ 568,556
Redundant Capacity Rider		5,640		\$ 1.12	\$ 6,317
Total Calculated at Base Rates					\$ 181,485,107
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 181,485,107
FAC Mechanism Revenues					\$ (9,326,443)
DSM Mechanism Revenues					\$ 699,761
ECR Mechanism Revenues					\$ 5,354,020
OSS Mechanism Revenues					\$ (81,305)
Total Base Period Adjusted Revenues					<u>\$ 178,131,141</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
POWER SERVICE RATE PS-Primary					
Basic Service Charges	2,516			\$ 200.00	\$ 503,200
Partial month, prorated and corrected billings					\$ 6,081
All Energy			155,317,265	\$ 0.03446	\$ 5,352,233
Minimum and Partial Month Billings, Energy					\$ 1,624
Summer Demand, kW		193,340		\$ 19.51	\$ 3,772,067
Winter Demand, kW		249,073		\$ 17.41	\$ 4,336,353
Partial Month and Prorated Billings, Demand					\$ 124,714
Redundant Capacity Rider		7,800		\$ 1.11	\$ 8,658
Total Calculated at Base Rates					\$ 14,104,930
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 14,104,930
FAC Mechanism Revenues					\$ (723,688)
DSM Mechanism Revenues					\$ 46,827
ECR Mechanism Revenues					\$ 416,009
OSS Mechanism Revenues					\$ (6,281)
Total Base Period Adjusted Revenues					<u>\$ 13,837,797</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
TIME OF DAY SECONDARY SERVICE RATE TODS					
Basic Service Charges	7,651			\$ 200.00	\$ 1,530,200
Partial month, prorated and corrected billings					\$ 3,439
All Energy			1,730,044,237	\$ 0.03527	\$ 61,018,660
Minimum and Partial Month Billings, Energy					\$ 1
Demand kW Base		4,443,137		\$ 5.20	\$ 23,104,314
Demand kW Intermediate		3,982,328		\$ 4.53	\$ 18,039,944
Demand kW Peak		3,885,938		\$ 6.13	\$ 23,820,800
Partial Month and Prorated Billings, Demand					2,065,065
Redundant Capacity Rider		89,652		\$ 1.12	\$ 100,410
Total Calculated at Base Rates					\$ 129,682,832
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 129,682,832
FAC Mechanism Revenues					\$ (8,125,849)
DSM Mechanism Revenues					\$ 370,746
ECR Mechanism Revenues					\$ 3,429,878
OSS Mechanism Revenues					\$ (72,560)
Total Base Period Adjusted Revenues					<u>\$ 125,285,047</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
TIME OF DAY PRIMARY SERVICE RATE TODP					
Basic Service Charges	2,983			\$ 300.00	\$ 894,900
Partial month, prorated and corrected billings					\$ 12,338
All Energy			4,093,907,310	\$ 0.03432	\$ 140,502,899
Minimum and Partial Month Billings, Energy					\$ 0
Demand kVA Base		9,765,744		\$ 3.34	\$ 32,617,586
Demand kVA Intermediate		8,932,875		\$ 4.39	\$ 39,215,319
Demand kVA Peak		8,771,181		\$ 5.89	\$ 51,662,256
Partial Month and Prorated Billings, Demand					(84,439)
Redundant Capacity Rider		158,308		\$ 1.11	\$ 175,722
Adjustment to Reflect Special Contract at Standby Rates					\$ 117,665
Total Calculated at Base Rates					\$ 265,114,247
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 265,114,247
FAC Mechanism Revenues					\$ (19,383,075)
DSM Mechanism Revenues					\$ 371,934
ECR Mechanism Revenues					\$ 6,447,233
OSS Mechanism Revenues					\$ (170,284)
Total Base Period Adjusted Revenues					<u>\$ 252,380,054</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
RETAIL TRANSMISSION SERVICE RATE RTS					
Basic Service Charges	329			\$ 1,000.00	\$ 329,000
Partial month, prorated and corrected billings					\$ 8,467
All Energy			1,449,288,135	\$ 0.03357	\$ 48,652,603
Minimum and Partial Month Billings, Energy					\$ (0)
Demand kVA Base		3,181,623		\$ 3.10	\$ 9,863,030
Demand kVA Intermediate		3,109,643		\$ 4.63	\$ 14,397,649
Demand kVA Peak		3,042,213		\$ 4.73	\$ 14,389,669
Partial Month and Prorated Billings, Demand					\$ (69,976)
Total Calculated at Base Rates					\$ 87,570,441
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 87,570,441
FAC Mechanism Revenues					\$ (6,955,489)
DSM Mechanism Revenues					\$ -
ECR Mechanism Revenues					\$ 2,095,096
OSS Mechanism Revenues					\$ (62,384)
Total Base Period Adjusted Revenues					<u>\$ 82,647,665</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
FLUCTUATING LOAD SERVICE RATE FLS					
Primary Delivery					
Basic Service Charges	-			\$ 1,000.00	\$ -
Partial month, prorated and corrected billings					\$ -
All Energy			-	\$ 0.03643	\$ -
Minimum and Partial Month Billings, Energy					\$ -
Demand Base (5-minute kVA)		-		\$ 2.17	\$ -
Demand Intermediate (5-minute kVA)		-		\$ 2.12	\$ -
Demand Peak (5-minute kVA)		-		\$ 3.01	\$ -
Partial Month and Prorated Billings, Demand					\$ -
Transmission Delivery					
Basic Service Charges	12			\$ 1,000.00	\$ 12,000
Partial month, prorated and corrected billings					\$ -
All Energy			574,128,000	\$ 0.03344	\$ 19,198,840
Minimum and Partial Month Billings, Energy					\$ -
Demand Base (5-minute kVA)		2,333,003		\$ 1.42	\$ 3,312,865
Demand Intermediate (5-minute kVA)		2,333,003		\$ 2.12	\$ 4,945,967
Demand Peak (5-minute kVA)		1,647,115		\$ 3.01	\$ 4,957,815
Partial Month and Prorated Billings, Demand					\$ -
Total Calculated at Base Rates					\$ 32,427,486
Correction Factor					<u>1.000000000</u>
Total After Application of Correction Factor					\$ 32,427,486
FAC Mechanism Revenues					\$ (2,826,034)
DSM Mechanism Revenues					\$ -
ECR Mechanism Revenues					\$ 758,683
OSS Mechanism Revenues					\$ (23,922)
Total Base Period Adjusted Revenues					<u>\$ 30,336,214</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Curtailable Demand, kVA	Unit Charges	Calculated Revenue
CURTAILABLE SERVICE RIDERS			
Transmission Voltage Service	79	\$ (6.40)	\$ (16,676,699)
Primary Voltage Service	186,228	\$ (6.50)	\$ (1,210,483)
Non-Compliance Charge	-	\$ 16.00	\$ -
Total Calculated at Base Rates			(17,887,183)
Correction Factor			<u>1.000000000</u>
Total After Application of Correction Factor		\$	(17,887,183)
Total Test Year Adjusted Revenues			<u>(17,887,183)</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Calculated Revenue
<hr/>	
ELECTRIC VEHICLE CHARGING RATE EVC	
Energy Portion of Charging Unit Fee Per Hour	\$ 14
Total Calculated at Base Rates	14
Correction Factor	<u>1.000000000</u>
Total After Application of Correction Factor	\$ 14
Revenue Adjustments:	
FAC Mechanism Revenue	\$ -
DSM Mechanism Revenue	\$ -
ECR Mechanism Revenue	\$ 1
OSS Mechanism Revenue	\$ -
Rent from Electric Property	\$ 88
Total Base Period Adjusted Revenues	<u>\$ 104</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
LIGHTING ENERGY SERVICE RATE LE				
Basic Service Charges	48		\$ -	\$ -
Partial month, prorated and corrected billings			\$	-
All Energy		491,813	\$ 0.07328	\$ 36,040
Minimum and Partial Month Billings, Energy			\$	0
Total Calculated at Base Rates			\$	36,040
Correction Factor				<u>1.000000000</u>
Total After Application of Correction Factor			\$	36,040
FAC Mechanism Revenues			\$	(2,408)
DSM Mechanism Revenues			\$	-
ECR Mechanism Revenues			\$	1,011
OSS Mechanism Revenues			\$	(25)
Total Base Period Adjusted Revenues			\$	<u>34,618</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
TRAFFIC ENERGY SERVICE RATE TE				
Basic Service Charges	9,164		\$ 4.00	\$ 36,656
Partial month, prorated and corrected billings				\$ 15
All Energy		1,556,463	\$ 0.08740	\$ 136,035
Minimum and Partial Month Billings, Energy				\$ (7)
Total Calculated at Base Rates				\$ 172,699
Correction Factor				<u>1.000000000</u>
Total After Application of Correction Factor				\$ 172,699
FAC Mechanism Revenues				\$ (7,505)
DSM Mechanism Revenues				\$ -
ECR Mechanism Revenues				\$ 4,832
OSS Mechanism Revenues				\$ (70)
Total Base Period Adjusted Revenues				<u>\$ 169,956</u>

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Rate Code	Total Lights	Present Rates	Base Period Revenue
LIGHTING SERVICE -- RATE SHEET NO. 35				
Overhead				
High Pressure Sodium				
Cobra Head, 5800 Lumen, Standard 5,800 Lumen HPS Std RC-462	462	105,723	\$ 9.86	\$ 1,042,429
Cobra Head, 5800 Lumen, Ornamental 5,800 Lumen HPS Ormtrl	472	108,847	\$ 13.04	\$ 1,419,365
Cobra Head, 9500 Lumen, Standard 9,500 Lumen HPS Std	463	252,544	\$ 10.28	\$ 2,596,152
Cobra Head, 9500 Lumen, Ornamental 9,500 Lumen HPS Ormtrl RC-473	473	40,105	\$ 13.70	\$ 549,439
Cobra Head, 22000 Lumen, Standard 22,000 Lumen HPS Std	464	92,856	\$ 16.08	\$ 1,493,124
Cobra Head, 22000 Lumen, Ornamental 22,000 Lumen HPS Ormtrl RC-474	474	64,284	\$ 19.50	\$ 1,253,538
Cobra Head, 50000 Lumen, Standard 50,000 Lumen HPS Std	465	32,637	\$ 25.61	\$ 835,834
Cobra Head, 50000 Lumen, Ornamental 50,000 Lumen HPS Ormtrl RC-475	475	6,677	\$ 27.37	\$ 182,749
Directional, 9500 Lumen, Standard 9,500L Directional HPS RC-487	487	134,198	\$ 10.13	\$ 1,359,426
Directional, 22000 Lumen, Standard 22,000L Directional HPS RC-488	488	80,411	\$ 15.42	\$ 1,239,938
Directional, 50000 Lumen, Standard 50,000L Directional HPS RC-489	489	103,717	\$ 21.95	\$ 2,276,588
Open Bottom, 9500 Lumen, Standard 9,500L Open Bottom HPS Std RC-428	428	443,813	\$ 8.87	\$ 3,936,621
Metal Halide				
Directional, 12000 Lumen, Standard 12,000L Fixture Only Dir-MH RC-450	450	8,524	\$ 16.13	\$ 137,492
Directional, 32000 Lumen, Standard 32,000L Fixture Only Dir-MH RC-451	451	67,356	\$ 22.80	\$ 1,535,717
Directional, 107800 Lumen, Standard 107,800L Fixture Only Dir-MH	452	11,282	\$ 47.70	\$ 538,151

Kentucky Utilities Company
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Detailed Calculation of Base Period Revenues
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	Rate Code	Total Lights	Present Rates	Base Period Revenue
LIGHTING SERVICE, CONTINUED, RATE SHEET NO. 35.1				
Underground				
High Pressure Sodium				
Colonial, 5800 Lumen, Decorative				
5,800L Colonial HPS UG RC-467	467	17,906	\$ 12.14	\$ 217,379
Colonial, 9500 Lumen, Decorative				
9,500L Colonial HPS UG RC-468	468	50,192	\$ 12.46	\$ 625,392
Acorn, 5800 Lumen, Smooth Pole				
5,800L Acorn (D Pole) HPS UG	401	793	\$ 16.57	\$ 13,140
Acorn, 5800 Lumen, Fluted Pole				
5,800L Acorn (Hist Pole) HPS UG	411	1,730	\$ 23.63	\$ 40,880
Acorn, 9500 Lumen, Smooth Pole				
9,500L Acorn (D Pole) HPS UG RC-420	420	6,374	\$ 17.01	\$ 108,422
Acorn, 9500 Lumen, Fluted Pole				
9,500L Acorn (Hist Pole) HPS UG	430	14,901	\$ 24.20	\$ 360,604
Victorian, 5800 Lumen, Fluted Pole				
5,800L Coach HPS UG	414	252	\$ 33.87	\$ 8,535
Victorian, 9500 Lumen, Fluted Pole				
9,500L Coach HPS UG RC-415	415	123	\$ 34.19	\$ 4,205
Contemporary Fixture and Pole, 5800 Lumen, Second Fixture				
5,800L UG HPS Contemporary Fixture Only	492	24	\$ 17.12	\$ 411
Contemporary Fixture and Pole, 5800 Lumen				
5,800L Contemporary HPS UG RC-476	476	58,356	\$ 18.66	\$ 1,088,923
Contemporary Fixture and Pole, 9500 Lumen, Second Fixture				
9,500L Contemp Decor UG Fixture Only	497	216	\$ 17.00	\$ 3,672
Contemporary Fixture and Pole, 9500 Lumen				
9,500L Contemporary HPS UG RC-477	477	12,728	\$ 23.09	\$ 293,890
Contemporary Fixture and Pole, 22000 Lumen, Second Fixture				
22,000L UG HPS Contemporary (Add Fixture)	498	373	\$ 19.84	\$ 7,400
Contemporary Fixture and Pole, 22000 Lumen				
22,000L Contemporary HPS UG RC-478	478	17,237	\$ 29.73	\$ 512,456
Contemporary Fixture and Pole, 50000 Lumen, Second Fixture				
50,000L Contemp Decor UG Fixture Only	499	501	\$ 24.15	\$ 12,099
Contemporary Fixture and Pole, 50000 Lumen				
50,000L Contemporary HPS UG RC-479	479	11,255	\$ 36.74	\$ 413,509
Dark Sky, 4000 Lumen				
4,000L HPS DSK Lantern	300	-	\$ 24.72	\$ -
Dark Sky, 9500 Lumen				
9,500L HPS DSK Lantern	301	-	\$ 25.83	\$ -

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

DATA: BASE PERIOD FORECAST PERIOD
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	Rate Code	Total Lights	Present Rates	Base Period Revenue
LIGHTING SERVICE -- RATE SHEET NO. 35.2				
Underground, continued				
Metal Halide				
Contemporary, 12000 Lumen, Fixture Only				
12,000L Fixture Only Cont-MH RC-490	490	712	\$ 17.45	\$ 12,424
Contemporary, 12000 Lumen, Fixture with Smooth Pole				
12,000L Fix With M Pole Cont-MH	494	2,232	\$ 31.42	\$ 70,129
Contemporary, 32000 Lumen, Fixture Only				
32,000L Fixture Only Cont-MH RC-491	491	3,558	\$ 24.68	\$ 87,811
Contemporary, 32000 Lumen, Fixture with Smooth Pole				
32,000L Fix with M Pole Cont-MH RC-495	495	8,256	\$ 38.64	\$ 319,012
Contemporary, 107800 Lumen, Fixture Only				
107,800L Fixture Only Cont-MH RC-493	493	502	\$ 51.32	\$ 25,763
Contemporary, 107800 Lumen, Fixture with Smooth Pole				
107,800L Fix With M Pole Cont-MH	496	1,594	\$ 65.28	\$ 104,056

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

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	Rate Code	Total Lights	Present Rates	Base Period Revenue
RESTRICTED LIGHTING SERVICE -- RATE SHEET NO. 36				
Overhead				
High Pressure Sodium				
Cobra Head, 4000 Lumen, Fixture Only				
4,000 Lumen HPS Std RC-461	461	83,581	\$ 8.53	\$ 712,946
Cobra Head, 4000 Lumen, Fixture and Pole				
4,000 Lumen HPS Ormtl RC-471	471	43,246	\$ 11.73	\$ 507,276
Cobra Head, 50000 Lumen, Fixture Only				
50,000L HPS Special Lighting RC-409	409	1,601	\$ 13.56	\$ 21,710
Open Bottom, 5800 Lumen, Fixture Only				
5,800L Open Bottom HPS Std RC-426	426	1,905	\$ 8.54	\$ 16,269
Metal Halide				
Directional, 12000 Lumen, Flood, Fixture with Pole				
12,000L Fix with W Pole Dir-MH RC-454	454	1,866	\$ 20.89	\$ 38,981
Directional, 32000 Lumen, Flood, Fixture with Pole				
32,000L Fix with W Pole Dir-MH	455	12,001	\$ 27.56	\$ 330,748
Directional, 107800 Lumen, Flood, Fixture with Pole				
107,800L Fix With W Pole Dir-MH	459	1,640	\$ 52.45	\$ 86,018
Mercury Vapor				
Cobra Head, 7000 Lumen, Fixture Only				
7,000 Lumen MV Std RC-446	446	11,429	\$ 10.77	\$ 123,090
Cobra Head, 7000 Lumen, Fixture and Pole				
7,000 Lumen MV Ormtl	456	1,575	\$ 13.27	\$ 20,900
Cobra Head, 10000 Lumen, Fixture Only				
10,000 Lumen MV Std	447	8,036	\$ 12.77	\$ 102,620
Cobra Head, 10000 Lumen, Fixture and Pole				
10,000 Lumen MV Ormtl	457	5,209	\$ 14.98	\$ 78,031
Cobra Head, 20000 Lumen, Fixture Only				
20,000 Lumen MV Std RC-448	448	16,560	\$ 14.45	\$ 239,292
Cobra Head, 20000 Lumen, Fixture and Pole				
20,000 Lumen MV Ormtl	458	16,419	\$ 16.91	\$ 277,645
Open Bottom, 7000 Lumen, Fixture Only				
7,000L Open Bottom M V Std RC-404	404	74,206	\$ 11.87	\$ 880,825

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

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	Rate Code	Total Lights	Present Rates	Base Period Revenue
RESTRICTED LIGHTING SERVICE, CONTINUED, RATE SHEET NO. 36.1				
Overhead, continued				
Incandescent				
Tear Drop, 1000 Lumen, Fixture Only				
1,000 Lumen Incand Std	421	12	\$ 3.81	\$ 46
Tear Drop, 2500 Lumen, Fixture Only				
2,500 Lumen Incand Std	422	4,769	\$ 5.11	\$ 24,370
Tear Drop, 4000 Lumen, Fixture Only				
4,000 Lumen Incand Std RC-424	424	316	\$ 7.63	\$ 2,411
Tear Drop, 4000 Lumen, Fixture with Pole				
4,000 Lumen Incand Ormtl	434	-	\$ 8.67	-
Tear Drop, 6000 Lumen, Fixture Only				
6,000 Lumen Incand Std	425	24	\$ 10.19	\$ 245
Underground				
Metal Halide				
Directional, 12000 Lumen, Flood, Fixture with Pole				
12,000L Fix With M Pole Dir-MH	460	246	\$ 30.10	\$ 7,405
Directional, 32000 Lumen, Flood, Fixture with Pole				
32,000L Fix With M Pole Dir-MH	469	3,456	\$ 36.77	\$ 127,077
Directional, 107800 Lumen, Flood, Fixture with Pole				
107,800L Fix With M Pole Dir-MH	470	552	\$ 61.66	\$ 34,036
High Pressure Sodium				
Acorn, 4000 Lumen, Smooth Pole				
4,000L Acorn (Decorative Pole) UG RC-440	440	24	\$ 15.11	\$ 363
Acorn, 4000 Lumen, Fluted Pole				
4,000L Acorn (Hist Pole) HPS UG RC-410	410	2,871	\$ 22.31	\$ 64,052
Colonial, 4000 Lumen, Smooth Pole				
4,000L Colonial HPS UG RC-466	466	10,211	\$ 10.79	\$ 110,177
Coach, 5800 Lumen, Smooth Pole				
5,800L Coach Decor UG RC-412	412	348	\$ 33.87	\$ 11,787
Coach, 9500 Lumen, Smooth Pole				
9,500L Coach Decor UG RC-413	413	1,201	\$ 34.19	\$ 41,062

Kentucky Utilities Company
Case No. 2016-00370
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended February 28, 2017

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Witness: W. S. SEELYE

	Rate Code	Total Lights	Present Rates	Base Period Revenue
RESTRICTED LIGHTING SERVICE, CONTINUED, RATE SHEET NO. 36.2				
Underground, continued				
Granville Lights				
Pole and Fixture	360	44	\$ 62.30	\$ 2,741
Prorated and corrected billings				\$ (17,013)
Total Lighting Service				\$ 28,571,784
Correction Factor				<u>1.000000000</u>
Total After Application of Correction Factor				\$ 28,571,784
FAC Mechanism Revenues				\$ (584,455)
DSM Mechanism Revenues				\$ -
ECR Mechanism Revenues				\$ 798,105
OSS Mechanism Revenues				\$ (5,390)
Total Test Year Adjusted Revenues				<u>\$ 28,780,044</u>

Kentucky Utilities Company
Case No. 2016-00370
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 6/30/18; Base Period 12ME 2/28/17)

Filing Requirement
807 KAR 5:001 Section 16(8)(n)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

A typical bill comparison under present and proposed rates for all customer classes.

Response:

See attached.

Base Period Update Response:

No update is required for this section.