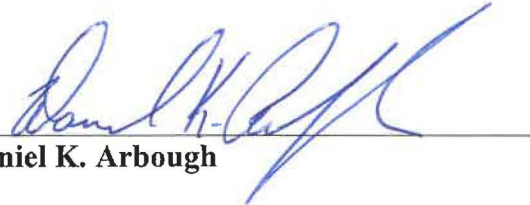


VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer 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.



Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of February 2019.



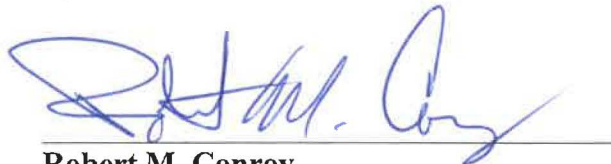
Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates, 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.



Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of February 2019.



Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Controller 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.


Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of February 2019.


Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Gregory J. Meiman**, being duly sworn, deposes and says that he is Vice President, Human Resources 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.


Gregory J. Meiman

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of February 2019.

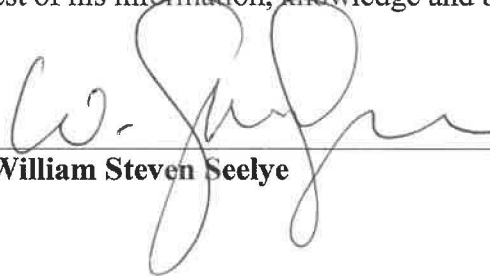

Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF BUNCOMBE)

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 12th day of February 2019.



Notary Public (SEAL)

My Commission Expires:

8/30/2023

Sean Bowers
NOTARY PUBLIC
BUNCOMBE COUNTY, NC
MY COMMISSION EXPIRES 8/30/23

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

Filing Requirement
807 KAR 5:001 Section 16(7)(o)
Sponsoring Witness: Daniel K. Arbough

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. 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 - - January 2017 through December 2017.
- Each month of the base period - As of the date of the filing only the months of January 2018 through July 2018 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 August 2018 through December 2018. The Company will provide this data for the remaining periods requested in the upcoming months as it becomes available.



PPL companies

Performance Report

August 2018

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	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
Safety						
TCIR - Employees ⁽¹⁾	1.05	0.37	1.36	1.04	1.30	0.97
Employee lost-time incidents	0	0	2	6	5	9
Reliability	Actual	Budget	Actual	Budget	Forecast	Budget
Generation Volumes	3,214	3,283	23,551	23,075	34,180	33,704
Utility EFOR	2.0%	5.0%	2.5%	5.0%	N/A	5.0%
Utility EAF	95.6%	92.9%	85.7%	85.1%	N/A	83.7%
Combined SAIFI	0.12	0.07	0.64	0.73	N/A	0.99
Combined SAIDI (minutes)	9.86	7.02	66.68	68.36	N/A	91.90
GwH Sales	Actual	Budget	Actual	Budget	Forecast	Budget
Residential	1,069	1,080	7,706	7,318	10,830	10,502
Commercial	799	750	5,508	5,312	8,069	7,815
Industrial	811	854	6,132	6,279	9,162	9,321
Municipals	169	167	1,223	1,211	1,811	1,778
Other	270	261	1,890	1,901	2,754	2,822
Off-System Sales	29	4	445	115	626	150
Total	3,147	3,116	22,904	22,136	33,252	32,389
Weather-Normalized Sales Growth			TTM			
Residential			-0.24%			
Commercial			-0.89%			
Industrial			-1.18%			
Municipal			-4.66%			
Other			-0.86%			
Total			-0.97%			

Variance Explanations
Higher YTD margins primarily due to higher sales volumes from favorable weather, resulting in higher retail electric base energy revenue of \$23 million partially offset by lower demand revenue of \$6 million, lower gas margins of \$5 million and other margin components of \$4 million.
Lower YTD O&M primarily due to the timing of plant maintenance costs (\$5m), labor costs (\$5m), materials (\$2m), and other (\$2m); partially offset by higher storm restoration costs (\$8m).
Lower YTD financing costs, primarily due to lower than anticipated interest rates.

- (1) Full year forecast amount shown represents target.
- (2) Net of cost recovery mechanisms and variable costs of production.
- (3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses
- (4) The possible violation issues for YTD Actual is believed to be minimal risk.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Margins (\$ millions)						
Electric Margins	\$171	\$174	\$1,255	\$1,242	\$1,826	\$1,831
Gas Margins	\$10	\$9	\$121	\$125	\$181	\$185
Capital Expenditures (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
Total	\$94	\$119	\$620	\$757	\$1,215	\$1,277
O&M (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
O&M – Management View ⁽²⁾	\$63	\$62	\$497	\$503	\$757	\$752
O&M – GAAP View ⁽³⁾	\$72	\$73	\$562	\$578	\$860	\$869
Head Count	Actual	Budget	Actual	Budget	Forecast	Budget
Full-time Employees	3,476	3,603	3,476	3,603	3,588	3,597
Other Metrics	Actual	PY	Actual	PY	Forecast	PY
Environmental Events	1	0	1	5	N/A	8
NERC Possible Violations ⁽⁴⁾	1	2	8	6	N/A	8

	TTM	Full Year	
	Actual	Forecast	Budget
Financial Metrics			
Utility ROE ⁽⁵⁾	10.5%	9.8%	9.6%
Average Utility Capitalization (\$ millions)	\$9,244	\$9,463	\$9,527

Major Developments

LG&E and KU announced its plans to file requests with the KPSC for a \$172 million (5.5%) rate increase premised upon an 10.42% return on equity. LG&E is requesting a 3.0%, or \$35 million, electric rate increase and a 7.5%, or \$25 million, natural gas rate increase. KU is requesting a 6.9%, or \$112 million, electric rate increase. The application will be submitted electronically to the KPSC on September 28.

The KPSC issued an Order denying LG&E and KU's request for a Certificate of Public Convenience and Necessity for full deployment of advanced metering systems. Although the Company does not agree with the Order or certain statements by the KPSC, the Company will not contest the Order at this time but rather will develop additional support for the project and likely pursue it again at an appropriate time.

LG&E and KU filed an application with the KPSC requesting permission to establish a \$35 million regulatory liability for excess accumulated deferred income taxes resulting from a reduction in the state corporate income tax rate. The filing also requested approval to create a \$7.1 million regulatory asset associated with Company expenses incurred during a July storm event.

Local newspaper Business First honored the Company with a Partners in Philanthropy Award for being an outstanding corporate citizen. LKE has been ranked among the top five business philanthropists in the region each year since it began competing for the designation in 2012.

Representatives from across LKE participated in EarthEx (Emergency All-sector Response Transnational Hazard Exercise) 2018, a web-based, interactive, all-sector, all-nation, virtual tabletop exercise involving a "Black Sky" event resulting from a cyber-attack. The exercise was created and coordinated by the Electric Infrastructure Security Council. This is the first year the Company has participated in the event which started in 2017. It was considered highly worthwhile and beneficial by our participants.

Significant Future Events
The Company continues to wait on Orders from the KPSC on its Tax Act rehearing and its DSM/Energy Efficiency Programs.

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
August 2018

(\$ Millions)

				MTD
	Actual	Budget	Variance	Comments
Revenues:				
Electric Revenues	\$ 262	\$ 270	\$ (8)	Due primarily to lower demand revenue, lower fuel prices, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	12	12	0	
Total Revenues	274	282	(8)	
Cost of Sales:				
Fuel Electric Costs	71	74	3	
Gas Supply Expenses	2	2	(0)	
Purchased Power	5	6	0	
Other Cost of Production	3	3	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	6	7	2	
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	6	6	0	
Total Cost of Sales	94	99	5	
Gross Margin:				
Electric Margin	171	174	(3)	
Gas Margin	10	9	0	
Total Gross Margin	180	183	(3)	
O&M	63	62	(1)	
Depreciation & Amortization	34	34	1	
Taxes, Other than Income	6	6	(0)	
Other income (expense)	0	(1)	1	
EBIT	78	81	(3)	
Interest Expense	20	20	1	
Income from Ongoing Operations before income taxes	58	61	(2)	
Income Tax Expense	12	15	3	
Net Income (loss) from ongoing operations	46	45	1	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	\$ 46	\$ 45	\$ 1	
KY Regulated Financing Costs	(3)	(3)	1	
KY Regulated Net Income	\$ 44	\$ 42	\$ 2	
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
August 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,955	\$ 1,926	\$ 28	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	209	221	(12)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	2,164	2,148	16	
Cost of Sales:				
Fuel Electric Costs	549	524	(25)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	85	90	6	Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices.
Purchased Power	41	42	1	
Other Cost of Production	25	25	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	40	50	9	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	48	49	1	
Total Cost of Sales	788	781	(8)	
Gross Margin:				
Electric Margin	1,255	1,242	13	See explanations above.
Gas Margin	121	125	(5)	See explanations above.
Total Gross Margin	1,375	1,367	8	
O&M	497	503	6	Lower primarily due to the timing of plant maintenance costs, labor costs, materials, and other; partially offset by higher storm restoration costs.
Depreciation & Amortization	269	271	3	
Taxes, Other than Income	44	45	1	
Other income (expense)	(4)	(7)	4	
EBIT	562	540	21	
Interest Expense	152	159	6	Lower primarily due to lower than anticipated interest rates.
Income from Ongoing Operations before income taxes	409	382	27	
Income Tax Expense	83	87	4	
Net Income (loss) from ongoing operations	326	295	32	
Special Item - (Non Operating Income)	(9)	0	(9)	Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a \$9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	0	0	0	
Net Income (loss)	\$ 317	\$ 295	\$ 22	
KY Regulated Financing Costs	(23)	(26)	2	
KY Regulated Net Income	294	\$ 269	\$ 25	
Earnings Per Share - Ongoing	\$ 0.43	\$ 0.37	\$ 0.06	

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement 807 KAR 5:001 Sec. 16(7)(o)
Page 5 of 68
Arbough

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LG&E
August 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 793	\$ 778	\$ 15	Due primarily to higher sales volumes from favorable weather, partially offset by lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	209	221	(12)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	1,002	999	3	
Cost of Sales:				
Fuel Electric Costs	218	206	(11)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	85	90	6	Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices.
Purchased Power	32	35	3	
Other Cost of Production	10	11	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	15	20	5	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	22	22	0	
Total Cost of Sales	381	384	4	
Gross Margin:				
Electric Margin	501	490	11	See explanations above.
Gas Margin	121	125	(5)	See explanations above.
Total Gross Margin	621	615	6	
O&M	221	220	(1)	
Depreciation & Amortization	109	111	1	
Taxes, Other than Income	23	23	1	
Other income (expense)	(4)	(5)	1	
EBIT	264	256	8	
Interest Expense	50	53	2	
Income from Ongoing Operations before income taxes	214	203	10	
Income Tax Expense	47	48	1	
Net Income (loss) from ongoing operations	\$ 166	\$ 155	\$ 11	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

Income Statement: Actual vs. Budget (YTD) - KU
August 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,190	\$ 1,180	\$ 10	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	0	0	0	
Total Revenues	1,190	1,180	10	
Cost of Sales:				
Fuel Electric Costs	339	319	(20)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	0	0	0	Due primarily to lower than anticipated intercompany expense for native load fuel.
Purchased Power	30	37	6	
Other Cost of Production	14	15	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	26	30	4	
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	27	27	1	
Total Cost of Sales	436	428	(8)	
Gross Margin:				
Electric Margin	754	752	2	
Gas Margin	0	0	0	
Total Gross Margin	754	752	2	
O&M	255	261	6	Primarily due to lower labor and burdens and lower outside service expense.
Depreciation & Amortization	159	160	1	
Taxes, Other than Income	21	21	0	
Other income (expense)	(0)	(3)	2	
EBIT	318	306	12	
Interest Expense	66	68	2	
Income from Ongoing Operations before income taxes	252	238	14	
Income Tax Expense	54	55	0	
Net Income (loss) from ongoing operations	\$ 198	\$ 184	\$ 14	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

O&M										August 2018
(\$ Millions)										
	MTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other		
	Actual	Budget	Total Variance							
Generation	17	16	(1)	1	(0)	(1)	(1)	(1)	1	
Project Engineering	0	0	0	(0)	0	(0)	0	0	0	
Transmission	3	3	0	0	0	0	0	0	0	
Energy Supply and Analysis	1	1	(0)	0	0	0	(0)	(0)	0	
Electric Distribution	7	6	(1)	(0)	0	(2)	1	(0)	0	
Gas Distribution	4	3	(1)	(0)	(1)	(0)	(0)	0	0	
Safety and Technical Training	0	1	0	(0)	(0)	0	(0)	0	0	
Environmental	1	1	0	0	0	0	0	0	0	
Customer Services	9	9	(0)	0	0	0	0	0	(1)	
Chief Operating Officer Total	42	40	(2)	1	(0)	(3)	(0)	(0)	0	
Audit Services	0	0	0	(0)	0	0	0	0	0	
Controller	1	1	0	0	0	0	(0)	0	0	
Supply Chain	0	0	(0)	0	0	(0)	(0)	(0)	0	
Information Technology	5	5	0	0	(0)	(0)	(0)	(0)	0	
Treasurer	2	2	(0)	0	0	0	(0)	(0)	0	
State Regulation and Rates	0	0	0	0	0	0	(0)	(0)	0	
Other	0	0	0	0	0	(0)	0	0	0	
Chief Financial Officer Total	9	9	0	0	(0)	(0)	(0)	(0)	0	
General Counsel	1	2	0	0	0	0	0	0	0	
Human Resources	1	1	(0)	0	0	(0)	(0)	(0)	0	
Corporate	8	8	(0)	(0)	0	0	(0)	(0)	0	
Communication	0	1	0	0	0	(0)	0	0	0	
Utility Total	62	60	(2)	1	(0)	(3)	(0)	(0)	1	
Nonutility	2	2	0	0	0	(0)	0	0	0	
O&M Total MTD	63	62	(1)	1	(0)	(3)	(0)	(0)	1	

	YTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other		
	Actual	Budget	Total Variance							
Generation	133	140	7	1	1	9	1	(4)		
Project Engineering	0	0	0	(0)	(0)	(0)	0	0	0	
Transmission	26	27	1	(0)	3	(1)	(0)	(0)	0	
Energy Supply and Analysis	9	9	0	0	0	0	0	(0)	0	
Electric Distribution	58	49	(8)	(2)	(1)	(6)	1	(1)	0	
Gas Distribution	29	26	(3)	0	(4)	1	(0)	(0)	0	
Safety and Technical Training	3	4	1	0	0	0	(0)	0	0	
Environmental	4	5	1	(0)	0	0	0	0	1	
Customer Services	66	66	(0)	(0)	0	0	0	0	(1)	
Chief Operating Officer Total	328	327	(1)	(1)	(1)	4	2	(5)	0	
Audit Services	1	1	0	0	0	0	0	0	0	
Controller	6	6	0	0	0	0	(0)	0	0	
Supply Chain	3	3	0	0	(0)	(0)	(0)	0	0	
Information Technology	37	40	3	3	(1)	1	0	0	0	
Treasurer	16	16	0	(0)	0	0	0	0	0	
State Regulation and Rates	3	3	(0)	0	0	0	(0)	0	0	
Other	1	1	0	0	0	(1)	0	1	0	
Chief Financial Officer Total	67	70	3	3	(1)	(0)	(0)	2	0	
General Counsel	11	11	0	0	0	(2)	0	2	0	
Human Resources	4	5	0	0	(0)	(0)	0	0	0	
Corporate	62	63	2	2	0	0	(0)	(0)	0	
Communication	4	5	1	0	0	(0)	1	0	0	
Utility Total	476	481	5	4	(2)	2	2	(1)	0	
Nonutility	21	22	1	(0)	(0)	(1)	0	2	0	
O&M Total YTD	497	503	6	4	(2)	1	2	0	0	

Note: Schedules may not sum due to rounding.

Financing Activities
August 2018

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 890.0	\$ 890.0	\$ 0.0
End Bal	881.1	890.0	8.9
Ave Bal	\$ 888.0	\$ 890.0	\$ 1.98
Interest Exp	\$ 10.4	\$ 12.1	\$ 1.7
Rate	1.73%	2.01%	0.29%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,310.0	\$ 4,310.0	\$ 0.0
End Bal	4,660.0	4,570.1	(89.9)
Ave Bal	\$ 4,510.0	\$ 4,457.0	\$ (53.05)
Interest Exp	\$ 128.3	\$ 127.1	\$ (1.2)
Rate	4.21%	4.23%	0.01%
Short-term Debt			
Beg Bal	\$ 468.9	\$ 468.9	\$ 0.0
End Bal	338.6	534.9	196.3
Ave Bal ⁽¹⁾	\$ 376.0	\$ 504.6	\$ 128.6
Interest Exp	\$ 6.8	\$ 11.9	\$ 5.2
Rate	2.66%	3.50%	0.83%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (41.6)	\$ (41.6)	\$ 0.0
End Bal	(39.4)	(39.8)	(0.4)
Ave Bal	\$ (40.6)	\$ (40.8)	\$ (0.2)
Total End Bal	\$ 5,840.2	\$ 5,955.2	\$ 115.0
Total Average Bal	\$ 5,733.4	\$ 5,810.8	\$ 77.4
Total Expense Excl I/C ⁽²⁾	\$ 152.4	\$ 158.5	\$ 6.1
Rate	3.91%	4.01%	0.10%

⁽¹⁾ Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

⁽²⁾ 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	Money Pool Loans
	Capacity	Borrowed ⁽³⁾			
LKE	\$ 375	\$ 101		\$ 274	
LG&E	700	344		356	\$ 0
KU	598	94	\$ 198	306	0
TOTAL	\$ 1,673	\$ 539	\$ 198	\$ 936	\$ 0

⁽³⁾ LG&E borrowed amount includes commercial paper issuances and \$200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2018		LG&E 2018		KU 2018	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	16%	16%	26%	25%	25%	23%
CFO pre-WC + Interest / Interest	5.2	5.0	7.8	7.5	7.1	6.8
CFO pre-WC - Dividends / Debt	11%	10%	18%	18%	14%	14%
Debt to Capitalization	52%	52%	38%	38%	37%	37%

Credit Metrics Moody's	LKE 2018 BP		LG&E 2018 BP		KU 2018 BP	
	2019	2020	2019	2020	2019	2020
CFO pre-WC / Debt	14%	14%	19%	19%	19%	20%
CFO pre-WC + Interest / Interest	4.4	4.4	5.8	5.6	5.7	5.7
CFO pre-WC - Dividends / Debt	10%	10%	11%	10%	10%	11%
Debt to Capitalization	53%	52%	38%	38%	38%	38%

⁽¹⁾ Actuals represent a trailing 12 months.

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

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	22% - 30%	13% - 22%	5% - 13%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	17% - 25%	9% - 17%	0% - 9%
Debt / Capitalization	7.5%	35% - 45%	45% - 55%	55% - 65%

As of December 31, 2017	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.

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Arbough

Balance Sheet - LKE Consolidated

August 2018

(\$ Millions)

	8/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 27	\$ 16	\$ 11	Increase primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	399	471	(72)	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Inventory	243	222	21	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	10	1	9	
Prepayments and other current assets	74	77	(3)	
Total Current Assets	753	786	(33)	
Property, Plant, and Equipment	12,365	12,515	(150)	
Intangible Assets	80	81	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	793	787	6	
Goodwill	997	997	0	
Other Long-term Assets	74	77	(2)	
Total Assets	\$ 15,064	\$ 15,243	\$ (180)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 298	\$ 336	\$ (38)	Primarily due to lower capital expenditures and timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	60	58	2	
Derivative Liability	4	4	(1)	
Accrued Taxes	80	100	(20)	Primarily due to the timing of accruals versus payments.
Regulatory Liabilities Current	75	88	(12)	Primarily due to ECR regulatory liability budgeted as a negative regulatory asset.
Other Current Liabilities	273	296	(22)	
Total Current Liabilities	790	881	(91)	
Debt - Affiliated Company	751	785	(35)	
Debt ⁽¹⁾	5,090	5,170	(80)	
Total Debt	5,840	5,955	(115)	
Deferred Tax Liabilities	874	901	(28)	
Investment Tax Credit	127	127	(0)	
Accum Provision for Pension & Related Benefits	263	251	12	
Asset Retirement Obligation	237	237	0	
Regulatory Liabilities Non Current	2,054	2,011	43	
Derivative Liability	16	19	(3)	
Other Liabilities	142	150	(8)	
Total Deferred Credits and Other Liabilities	3,712	3,697	15	
Equity	4,721	4,710	11	
Total Liabilities and Equity	\$ 15,064	\$ 15,243	\$ (180)	

⁽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

August 2018

(\$ Millions)

	8/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 11	\$ 5	\$ 6	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	171	210	(40)	
Inventory	112	107	5	
Regulatory Assets Current	10	5	5	
Prepayments and other current assets	51	49	2	
Total Current Assets	355	377	(21)	
Property, Plant, and Equipment	5,474	5,554	(79)	
Intangible Assets	6	6	0	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	404	402	2	
Goodwill	0	0	0	
Other Long-term Assets	22	14	8	
Total Assets	\$ 6,262	\$ 6,353	\$ (91)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 164	\$ 195	\$ (31)	Primarily due to lower capital expenditures and timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	29	27	1	
Derivative Liability	4	4	(1)	
Accrued Taxes	44	41	3	
Regulatory Liabilities Current	33	39	(6)	
Other Current Liabilities	85	93	(8)	
Total Current Liabilities	359	400	(41)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	1,952	1,986	(34)	
Total Debt	1,952	1,986	(34)	
Deferred Tax Liabilities	581	594	(13)	Difference due to reclassification of the prepaid pension balance to other long term assets.
Investment Tax Credit	35	35	(0)	
Accum Provision for Pension & Related Benefits	0	(19)	19	
Asset Retirement Obligation	91	90	2	
Regulatory Liabilities Non Current	878	861	18	
Derivative Liability	16	19	(3)	
Other Liabilities	82	85	(3)	
Total Deferred Credits and Other Liabilities	1,683	1,664	19	
Equity	2,267	2,302	(35)	
Total Liabilities and Equity	\$ 6,262	\$ 6,353	\$ (91)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

(\$ Millions)

	8/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 15	\$ 5	\$ 10	Increase primarily due to timing of cash receipts.
Accounts Receivable (Trade)	228	259	(32)	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Inventory	131	115	16	Primarily due to the higher coal purchase, offset partially by higher coal usage
Regulatory Assets Current	0	(4)	4	
Prepayments and other current assets	44	51	(7)	
Total Current Assets	418	426	(8)	
Property, Plant, and Equipment	6,881	6,953	(73)	
Intangible Assets	12	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	387	385	1	
Goodwill	0	0	0	
Other Long-term Assets	75	60	15	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Total Assets	\$ 7,773	\$ 7,838	\$ (65)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 176	\$ 184	\$ (7)	
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	31	31	0	
Derivative Liability	0	0	0	
Accrued Taxes	45	40	5	
Regulatory Liabilities Current	42	48	(7)	
Other Current Liabilities	134	135	(2)	
Total Current Liabilities	428	438	(10)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,413	2,459	(47)	
Total Debt	2,413	2,459	(47)	
Deferred Tax Liabilities	690	709	(19)	
Investment Tax Credit	92	93	(0)	
Accum Provision for Pension & Related Benefits	0	(14)	14	Difference due to reclassification of the prepaid pension balance to other long term assets.
Asset Retirement Obligation	146	147	(2)	
Regulatory Liabilities Non Current	1,112	1,088	24	
Derivative Liability	0	0	0	
Other Liabilities	37	39	(2)	
Total Deferred Credits and Other Liabilities	2,076	2,061	15	
Equity	2,856	2,879	(23)	
Total Liabilities and Equity	\$ 7,773	\$ 7,838	\$ (65)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



PPL companies

Performance Report

September 2018

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	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
Safety						
TCIR - Employees ⁽¹⁾	0.38	1.11	1.26	1.05	1.30	0.97
Employee lost-time incidents	0	2	2	8	4	9
Reliability	Actual	Budget	Actual	Budget	Forecast	Budget
Generation Volumes	2,879	2,657	26,430	25,732	34,403	33,704
Utility EFOR	2.6%	5.0%	2.5%	5.0%	N/A	5.0%
Utility EAF	92.3%	90.0%	86.5%	85.6%	N/A	83.7%
Combined SAIFI	0.07	0.07	0.71	0.79	N/A	0.99
Combined SAIDI (minutes)	7.57	5.70	74.26	74.06	N/A	91.90
GwH Sales	Actual	Budget	Actual	Budget	Forecast	Budget
Residential	813	776	8,519	8,094	10,826	10,502
Commercial	698	648	6,206	5,960	8,123	7,815
Industrial	786	747	6,918	7,026	9,245	9,321
Municipals	149	139	1,372	1,351	1,806	1,778
Other	255	232	2,145	2,132	2,779	2,822
Off-System Sales	66	8	511	123	650	150
Total	2,767	2,550	25,671	24,686	33,429	32,389
Weather-Normalized Sales Growth			TTM			
Residential			-0.17%			
Commercial			-0.28%			
Industrial			-1.54%			
Municipal			-4.50%			
Other			0.00%			
Total			-0.82%			

Variance Explanations	
Higher MTD margins from favorable weather and outcome of the KPSC TCJA rehearing.	
Higher YTD margins primarily due to higher sales volumes from favorable weather of \$26 million and a favorable TCJA revenue variance of \$3 million, partially offset by lower demand revenue of \$7 million, lower gas margins of \$3 million and lower other margin components of \$3 million.	
Lower YTD O&M primarily due to the timing of plant maintenance costs of \$4m, lower labor costs of \$6m, lower materials costs of \$2m, and other lower costs of \$2m, partially offset by higher storm restoration costs of \$8m.	

- (1) Full year forecast amount shown represents target.
- (2) Net of cost recovery mechanisms and variable costs of production.
- (3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses
- (4) The possible violation issues for YTD Actual is believed to be minimal risk.
- (5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Margins (\$ millions)						
Electric Margins	\$157	\$151	\$1,412	\$1,393	\$1,845	\$1,831
Gas Margins	\$11	\$9	\$132	\$135	\$182	\$185
Capital Expenditures (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
Total	\$88	\$108	\$804	\$982	\$1,210	\$1,277
O&M (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
O&M – Management View ⁽²⁾	\$60	\$60	\$558	\$563	\$756	\$752
O&M – GAAP View ⁽³⁾	\$69	\$70	\$632	\$647	\$856	\$869
Head Count	Actual	Budget	Actual	Budget	Forecast	Budget
Full-time Employees	3,501	3,603	3,501	3,603	3,589	3,597
Other Metrics	Actual	PY	Actual	PY	Forecast	PY
Environmental Events	2	0	3	5	N/A	8
NERC Possible Violations ⁽⁴⁾	0	1	8	7	N/A	8

	TTM	Full Year	
	Actual	Forecast	Budget
Financial Metrics			
Utility ROE ⁽⁵⁾	10.6%	10.2%	9.6%
Average Utility Capitalization (\$ millions)	\$9,289	\$9,450	\$9,527

Major Developments	
The KPSC accepted LG&E and KU's rate case applications as filed with no deficiencies. This is a significant first step in the rate case process and starts the timeline for consideration of the case.	
The KPSC issued an Order on reconsideration in LG&E and KU's Tax Cuts and Jobs Act proceeding. LG&E and KU had filed for reconsideration and a hearing due to the KPSC's modifications to the TCJA settlement agreement. Those modifications had increased amounts to be returned to customers by \$27 million. The Order on reconsideration reduced those modifications to \$14 million. LG&E and KU had implemented interim partial rate reductions since April 2018, as authorized by the KPSC, while recording reserves up to the higher reduction amounts originally approved in the March 20th Order.	
The KPSC issued its Order on LG&E and KU's 2019-2023 demand side management/energy efficiency program proposal. The Order generally accepted the Companies' position on all issues, only reiterating its finding in the AMS CPCN case that the Companies should double the size of its smart meter pilot program. It also provided for a 10.2 percent return on equity on capital investments associated with these DSM programs, maintaining a position from prior DSM cases authorizing a ROE 50 basis points higher than that awarded in the utilities' most recent base rate cases.	
Regarding the Clean Water Act (CWA) claim against our Brown Generating Station, the Court affirmed the dismissal in KU's favor, agreeing with the lower court that the CWA does not impose liability for discharges to groundwater under the "hydrologic connection" theory. On the Resource Conservation and Recovery Act (RCRA) claim also against Brown, however, the Court unanimously reversed the lower court's dismissal therefore, allowing the Sierra Club the ability to file a citizen suit. This is a procedural ruling not a ruling on the merits of the claim. Under the Court's ruling, the RCRA claim will go back to the trial court to start discovery and, possibly, lead to a trial on the issues if the case is not otherwise resolved. KU intends to petition for rehearing of the RCRA portion of the case en banc, which would be a review by the full Sixth Circuit rather than just the three-judge panel that previously considered the case.	
LKE was one of only three companies to receive a Honorable Mention designation for the C. Everett Koop National Health Award, which is among the most prestigious awards for workplace health programs. The Company was recognized for the following strengths in our wellness program: strong correlation between safety and health, inclusion of all employees and spouses, tie to core values, incorporation of mental, financial and other aspects of well-being, and high leadership support. This was the first time that the Company participated in the award program.	
The KPSC issued the procedural schedule for the 2018 rate case proceedings and it is consistent with LG&E and KU's expectations.	

Significant Future Events

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
September 2018

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 242	\$ 230	\$ 11	Due primarily to higher sales volumes from favorable weather and the outcome of the KPSC TCJA rehearing.
Gas Revenues	15	12	2	
Total Revenues	256	243	14	
Cost of Sales:				
Fuel Electric Costs	65	59	(6)	Due primarily to higher sales volumes from favorable weather.
Gas Supply Expenses	3	2	(1)	
Purchased Power	5	5	(0)	
Other Cost of Production	4	3	(1)	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	5	6	1	
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	6	7	0	
Total Cost of Sales	88	82	(6)	
Gross Margin:				
Electric Margin	157	151	6	See explanations above.
Gas Margin	11	9	2	
Total Gross Margin	169	161	8	
O&M	60	60	(0)	
Depreciation & Amortization	34	34	1	
Taxes, Other than Income	6	6	0	
Other income (expense)	1	(0)	2	
EBIT	70	60	10	
Interest Expense	20	20	1	
Income from Ongoing Operations before income taxes	51	40	11	
Income Tax Expense	12	6	(6)	Due primarily to additional taxes and an unfavorable variance due to the effective tax rate adjustment being recorded monthly in actuals and quarterly in the budget.
Net Income (loss) from ongoing operations	39	34	5	
Special Item - (Non Operating Income)	2	0	2	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	\$ 41	\$ 34	\$ 7	
KY Regulated Financing Costs	(3)	(3)	1	
KY Regulated Net Income	\$ 38	\$ 31	\$ 7	
Earnings Per Share - Ongoing	\$ 0.05	\$ 0.04	\$ 0.01	

Note: Schedules may not sum due to rounding.

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

September 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,197	\$ 2,157	\$ 40	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	224	233	(10)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	2,420	2,390	30	
Cost of Sales:				
Fuel Electric Costs	614	583	(31)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	87	92	5	Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices.
Purchased Power	46	47	1	
Other Cost of Production	29	28	(0)	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	45	56	11	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	55	56	1	
Total Cost of Sales	876	862	(14)	
Gross Margin:				
Electric Margin	1,412	1,393	19	See explanations above.
Gas Margin	132	135	(3)	
Total Gross Margin	1,544	1,528	16	
O&M	558	563	5	Lower primarily due to the timing of plant maintenance costs, lower labor costs, lower materials costs, and other lower costs, partially offset by higher storm restoration costs.
Depreciation & Amortization	302	306	3	
Taxes, Other than Income	50	50	1	
Other income (expense)	(2)	(8)	6	Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson.
EBIT	632	601	31	
Interest Expense	172	179	7	Lower primarily due to lower than anticipated interest rates.
Income from Ongoing Operations before income taxes	460	422	38	
Income Tax Expense	95	93	(2)	
Net Income (loss) from ongoing operations	365	329	36	
Special Item - (Non Operating Income)	(7)	0	(7)	Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a \$9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by \$1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	0	0	0	
Net Income (loss)	\$ 358	\$ 329	\$ 29	
KY Regulated Financing Costs	(26)	(29)	3	
KY Regulated Net Income	332	\$ 300	\$ 32	
Earnings Per Share - Ongoing	\$ 0.48	\$ 0.41	\$ 0.07	

Note: Schedules may not sum due to rounding.

Case Nos. 2018-00294 and 2018-00295

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Arbough

Income Statement: Actual vs. Budget (YTD) - LG&E
September 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 894	\$ 874	\$ 20	Due primarily to higher sales volumes from favorable weather, partially offset by lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	224	233	(10)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	1,118	1107	10	
Cost of Sales:				
Fuel Electric Costs	244	230	(14)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	87	92	5	Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices.
Purchased Power	36	39	3	
Other Cost of Production	12	12	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	17	23	6	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	24	25	1	
Total Cost of Sales	421	421	1	
Gross Margin:				
Electric Margin	565	552	14	See explanations above.
Gas Margin	132	135	(3)	
Total Gross Margin	697	686	11	
O&M	248	247	(1)	
Depreciation & Amortization	123	125	2	
Taxes, Other than Income	26	26	1	
Other income (expense)	(4)	(5)	1	
EBIT	296	283	13	
Interest Expense	57	59	3	
Income from Ongoing Operations before income taxes	239	224	15	
Income Tax Expense	51	51	(0)	
Net Income (loss) from ongoing operations	\$ 188	\$ 173	\$ 15	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

Income Statement: Actual vs. Budget (YTD) - KU
September 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,334	\$ 1,318	\$ 16	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	0	0	0	
Total Revenues	1,334	1,318	16	
Cost of Sales:				
Fuel Electric Costs	378	354	(24)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	0	0	0	
Purchased Power	33	41	7	Due primarily to lower than anticipated intercompany expense for native load fuel.
Other Cost of Production	16	17	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	29	33	5	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	30	31	1	
Total Cost of Sales	486	476	(10)	
Gross Margin:				
Electric Margin	847	842	5	See explanations above.
Gas Margin	0	0	0	
Total Gross Margin	847	842	5	
O&M	286	293	7	Primarily due to lower labor and burdens and lower outside service expense offset by storm restoration.
Depreciation & Amortization	179	181	2	
Taxes, Other than Income	24	24	0	
Other income (expense)	1	(3)	4	
EBIT	359	341	18	
Interest Expense	74	77	2	
Income from Ongoing Operations before income taxes	285	264	20	
Income Tax Expense	59	59	(0)	
Net Income (loss) from ongoing operations	\$ 226	\$ 206	\$ 20	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

Income Statement: Forecast vs. Budget - LKE Consolidated
September 2018

(\$ Millions)

	Full Year			Comments
	Q3 Forecast	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,868	\$ 2,840	\$ 28	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	312	323	(10)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	3,181	3,163	18	
Cost of Sales:				
Fuel Electric Costs	790	762	(29)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	124	128	4	
Purchased Power	64	62	(2)	
Other Cost of Production	42	40	(3)	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	58	78	20	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	75	77	2	
Total Cost of Sales	1,153	1,146	(7)	
Gross Margin:				
Electric Margin	1,845	1,831	13	See explanations above.
Gas Margin	182	185	(3)	
Total Gross Margin	2,027	2,017	10	
O&M	756	752	(4)	
Depreciation & Amortization	407	410	3	
Taxes, Other than Income	66	67	1	
Other income (expense)	(4)	(10)	7	Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson.
EBIT	795	778	17	
Interest Expense	232	241	9	Primarily due to lower debt balances and lower interest rates.
Income from Ongoing Operations before income taxes	563	537	26	
Income Tax Expense	116	117	1	
Net Income (loss) from ongoing operations	447	420	\$ 27	
Special Item - (Non Operating Income)	(7)	0	(7)	Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a \$9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by \$1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	0	0	0	
Net Income (loss)	\$ 439	\$ 420	\$ 20	
KY Regulated Financing Costs	(37)	(40)	3	
KY Regulated Net Income	\$ 403	\$ 380	\$ 23	
Earnings Per Share - Ongoing	\$ 0.55	\$ 0.52	\$ 0.03	

Note: Schedules may not sum due to rounding.

Case Nos. 2018-00294 and 2018-00295
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Arbough

(\$ Millions)

	MTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	17	16	(1)	(0)	0	1	(0)	(1)
Project Engineering	0	0	0	0	0	0	0	0
Transmission	3	3	0	0	0	0	(0)	(0)
Energy Supply and Analysis	1	1	0	0	0	0	(0)	(0)
Electric Distribution	7	6	(0)	(0)	1	(1)	0	(0)
Gas Distribution	4	3	(1)	(0)	(0)	0	0	(0)
Safety and Technical Training	1	0	(0)	(0)	0	0	0	(0)
Environmental	1	1	0	0	0	0	0	0
Customer Services	9	8	(1)	(0)	0	0	0	(1)
Chief Operating Officer Total	41	39	(2)	(0)	1	0	(0)	(3)
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
Information Technology	4	5	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
Other	0	0	0	(0)	0	(0)	0	0
Chief Financial Officer Total	8	8	1	0	(0)	0	0	0
General Counsel	1	2	1	0	0	1	(0)	0
Human Resources	1	1	0	0	0	(0)	0	(0)
Corporate	6	8	2	1	0	0	(0)	0
Communication	1	1	0	0	(0)	(0)	0	0
Utility Total	58	58	1	1	1	1	(0)	(2)
Nonutility	3	2	(1)	0	(0)	(0)	0	(1)
O&M Total MTD	60	60	(0)	2	1	1	(0)	(3)

	YTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	150	157	6	1	1	9	1	(5)
Project Engineering	0	0	0	(0)	(0)	(0)	0	0
Transmission	29	30	1	(0)	3	(1)	(0)	(0)
Energy Supply and Analysis	10	10	0	0	0	0	0	(0)
Electric Distribution	64	56	(9)	(2)	0	(7)	1	(1)
Gas Distribution	33	29	(3)	0	(4)	1	(0)	(1)
Safety and Technical Training	4	4	0	0	0	0	(0)	0
Environmental	5	6	1	(0)	0	0	0	1
Customer Services	75	74	(1)	(0)	0	1	0	(2)
Chief Operating Officer Total	369	366	(3)	(1)	0	4	1	(8)
Audit Services	1	1	0	0	0	0	0	0
Controller	6	7	0	0	0	0	(0)	0
Supply Chain	3	3	0	0	(0)	(0)	0	0
Information Technology	42	44	3	3	(1)	1	0	1
Treasurer	17	18	0	(0)	0	0	0	0
State Regulation and Rates	3	3	(0)	0	0	0	(0)	0
Other	2	2	0	0	0	(1)	0	1
Chief Financial Officer Total	75	78	4	3	(1)	(0)	(0)	2
General Counsel	13	13	1	0	0	(1)	0	2
Human Resources	5	5	0	0	(0)	(0)	0	0
Corporate	68	71	3	3	0	1	(0)	(0)
Communication	5	5	1	0	0	(0)	1	0
Utility Total	534	540	6	6	(1)	3	2	(4)
Nonutility	24	23	(0)	0	(0)	(1)	0	1
O&M Total YTD	558	563	5	6	(1)	2	2	(3)

	Full Year			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Forecast	Budget	Total Variance					
Generation	210	216	6	0	1	3	3	(0)
Project Engineering	0	0	0	0	(0)	(0)	0	0
Transmission	39	38	(0)	(0)	2	(2)	(0)	(0)
Energy Supply and Analysis	13	13	0	0	0	0	0	(0)
Electric Distribution	83	75	(9)	(2)	2	(8)	1	(1)
Gas Distribution	47	39	(8)	0	(6)	(1)	(0)	(1)
Safety and Technical Training	6	6	0	0	0	(0)	0	(0)
Environmental	7	8	1	(0)	0	1	0	1
Customer Services	102	97	(4)	(1)	1	0	0	(5)
Other	1	1	0	0	0	(0)	0	0
Chief Operating Officer Total	506	493	(14)	(3)	(1)	(7)	3	(7)
Audit Services	2	2	0	0	0	(0)	0	0
Controller	9	9	0	0	0	0	(0)	0
Supply Chain	4	4	0	0	(0)	(0)	0	0
Information Technology	56	58	2	3	(2)	0	0	0
Treasurer	23	23	0	(0)	0	(0)	0	1
State Regulation and Rates	5	5	(0)	0	0	0	(0)	0
Other	2	2	0	0	0	(1)	0	1
Chief Financial Officer Total	100	103	3	3	(2)	(1)	(0)	2
General Counsel	17	18	0	0	0	(1)	0	1
Human Resources	7	7	0	0	(0)	(0)	0	0
Corporate	88	95	7	7	0	0	(0)	(0)
Communication	7	7	0	0	0	(0)	0	0
Utility Total	726	723	(3)	8	(2)	(8)	3	(3)
Nonutility Total	30	29	(1)	0	(0)	(0)	0	(0)
O&M Total YTD	756	752	(4)	8	(2)	(9)	3	(3)

Note: Schedules may not sum due to rounding.

Financing Activities
September 2018

(\$ Millions)

Balance Sheet	YTD			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
PCB						
Beg Bal	\$ 890.0	\$ 890.0	\$ 0.0	\$ 890.0	\$ 890.0	\$ 0.0
End Bal	881.1	890.0	8.9	881.1	890.0	8.9
Ave Bal	\$ 887.3	\$ 890.0	\$ 2.68	\$ 885.9	\$ 890.0	\$ 4.12
Interest Exp	\$ 11.8	\$ 13.7	\$ 1.8	\$ 16.0	\$ 18.3	\$ 2.4
Rate	1.76%	2.02%	0.27%	1.78%	2.03%	0.25%
FMB/Sr Nts/Loan with PPL						
Beg Bal	\$ 4,310.0	\$ 4,310.0	\$ 0.0	\$ 4,310.0	\$ 4,310.0	\$ 0.0
End Bal	4,660.0	4,533.3	(126.7)	4,660.0	4,643.2	(16.8)
Ave Bal	\$ 4,525.0	\$ 4,464.6	\$ (60.42)	\$ 4,556.2	\$ 4,488.9	\$ (67.26)
Interest Exp	\$ 144.8	\$ 143.3	\$ (1.5)	\$ 194.2	\$ 191.9	\$ (2.3)
Rate	4.22%	4.23%	0.01%	4.20%	4.22%	0.01%
Short-term Debt						
Beg Bal	\$ 468.9	\$ 468.9	\$ 0.0	\$ 468.9	\$ 468.9	\$ 0.0
End Bal	383.7	618.0	234.3	685.7	722.7	37.0
Ave Bal ⁽¹⁾	\$ 370.7	\$ 516.0	\$ 145.3	\$ 443.9	\$ 563.2	\$ 119.3
Interest Exp	\$ 7.5	\$ 13.6	\$ 6.1	\$ 11.0	\$ 19.5	\$ 8.5
Rate	2.67%	3.47%	0.80%	2.44%	3.41%	0.98%
Unamortized Debt Expense Bonds						
Beg Bal	\$ (41.6)	\$ (41.6)	\$ 0.0	\$ (41.6)	\$ (41.6)	\$ 0.0
End Bal	(39.4)	(39.5)	(0.1)	(38.2)	(38.3)	(0.1)
Ave Bal	\$ (40.5)	\$ (40.6)	\$ (0.2)	\$ (40.0)	\$ (40.2)	\$ (0.2)
Total End Bal	\$ 5,885.4	\$ 6,001.8	\$ 116.5	\$ 6,188.5	\$ 6,217.6	\$ 29.1
Total Average Bal	\$ 5,742.5	\$ 5,829.9	\$ 87.4	\$ 5,845.9	\$ 5,901.9	\$ 56.0
Total Expense Excl I/C ⁽²⁾	\$ 172.0	\$ 178.8	\$ 6.8	\$ 231.9	\$ 240.8	\$ 8.9
Rate	3.92%	4.02%	0.09%	3.89%	4.00%	0.11%

⁽¹⁾ Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

⁽²⁾ 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	Money Pool Loans
	Capacity	Borrowed ⁽³⁾			
LKE	\$ 375	\$ 80		\$ 295	
LG&E	700	376		324	\$ 0
KU	598	128	\$ 198	272	0
TOTAL	\$ 1,673	\$ 584	\$ 198	\$ 891	\$ 0

⁽³⁾ LG&E borrowed amount includes commercial paper issuances and \$200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2018		LG&E 2018		KU 2018	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	15%	14%	25%	23%	24%	21%
CFO pre-WC + Interest / Interest	5.0	4.6	7.6	7.0	6.9	6.3
CFO pre-WC - Dividends / Debt	11%	9%	17%	16%	14%	12%
Debt to Capitalization	52%	52%	38%	38%	37%	37%

Credit Metrics Moody's	LKE 2018 BP		LG&E 2018 BP		KU 2018 BP	
	2019	2020	2019	2020	2019	2020
CFO pre-WC / Debt	14%	14%	19%	19%	19%	20%
CFO pre-WC + Interest / Interest	4.4	4.4	5.8	5.6	5.7	5.7
CFO pre-WC - Dividends / Debt	10%	10%	11%	10%	10%	11%
Debt to Capitalization	53%	52%	38%	38%	38%	38%

⁽¹⁾ Actuals represent a trailing 12 months.

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

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	22% - 30%	13% - 22%	5% - 13%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	17% - 25%	9% - 17%	0% - 9%
Debt / Capitalization	7.5%	35% - 45%	45% - 55%	55% - 65%

As of December 31, 2017	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.

Case Nos. 2018-00294 and 2018-00295

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Balance Sheet - LKE Consolidated

September 2018

(\$ Millions)

	9/30/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 29	\$ 14	\$ 15	Increase primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	387	439	(52)	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Inventory	238	230	8	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	11	5	5	
Prepayments and other current assets	77	76	0	
Total Current Assets	742	765	(23)	
Property, Plant, and Equipment	12,407	12,573	(165)	
Intangible Assets	80	80	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	787	786	1	
Goodwill	997	997	0	
Other Long-term Assets	74	77	(3)	
Total Assets	\$ 15,088	\$ 15,279	\$ (190)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 285	\$ 331	\$ (46)	Primarily due to lower capital expenditures and timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	60	58	2	
Derivative Liability	4	4	(1)	
Accrued Taxes	55	81	(25)	Primarily due to the timing of accruals versus payments.
Regulatory Liabilities Current	64	99	(34)	Primarily ECR regulatory liability budgeted as a negative regulatory asset.
Other Current Liabilities	286	312	(26)	
Total Current Liabilities	755	885	(130)	
Debt - Affiliated Company	730	748	(19)	
Debt ⁽¹⁾	5,156	5,253	(98)	
Total Debt	5,885	6,002	(116)	
Deferred Tax Liabilities	922	919	3	
Investment Tax Credit	127	127	(0)	
Accum Provision for Pension & Related Benefits	256	250	6	
Asset Retirement Obligation	231	232	(1)	
Regulatory Liabilities Non Current	2,053	2,003	49	
Derivative Liability	15	19	(4)	
Other Liabilities	137	147	(10)	
Total Deferred Credits and Other Liabilities	3,740	3,697	44	
Equity	4,707	4,695	12	
Total Liabilities and Equity	\$ 15,088	\$ 15,279	\$ (190)	

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

(\$ Millions)

	9/30/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 11	\$ 5	\$ 6	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	168	196	(28)	
Inventory	123	115	8	
Regulatory Assets Current	10	6	4	
Prepayments and other current assets	49	50	(1)	
Total Current Assets	360	372	(12)	
Property, Plant, and Equipment	5,497	5,577	(80)	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Intangible Assets	6	6	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	399	401	(3)	
Goodwill	0	0	0	
Other Long-term Assets	27	14	12	
Total Assets	\$ 6,289	\$ 6,372	\$ (83)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 174	\$ 191	\$ (17)	Primarily ECR regulatory liability budgeted as a negative regulatory asset. Higher than budgeted Customer advance for construction and ARO liability
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	29	27	1	
Derivative Liability	4	4	(1)	
Accrued Taxes	29	31	(2)	
Regulatory Liabilities Current	27	44	(18)	
Other Current Liabilities	84	99	(15)	
Total Current Liabilities	345	396	(51)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	1,984	2,017	(33)	
Total Debt	1,984	2,017	(33)	
Deferred Tax Liabilities	611	605	6	Difference due to reclassification of the prepaid pension balance to other long term assets.
Investment Tax Credit	34	35	(0)	
Accum Provision for Pension & Related Benefits	(0)	(20)	20	
Asset Retirement Obligation	86	89	(3)	
Regulatory Liabilities Non Current	878	859	18	
Derivative Liability	15	19	(4)	
Other Liabilities	80	83	(3)	
Total Deferred Credits and Other Liabilities	1,703	1,670	33	
Equity	2,256	2,288	(32)	
Total Liabilities and Equity	\$ 6,289	\$ 6,372	\$ (83)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

(\$ Millions)

	9/30/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 18	\$ 5	\$ 13	Increase primarily due to timing of cash receipts.
Accounts Receivable (Trade)	219	243	(24)	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Inventory	116	115	0	
Regulatory Assets Current	0	(1)	1	
Prepayments and other current assets	41	50	(10)	
Total Current Assets	394	413	(19)	
Property, Plant, and Equipment	6,899	6,987	(88)	
Intangible Assets	12	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	386	386	(0)	
Goodwill	0	0	0	
Other Long-term Assets	77	61	16	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Total Assets	\$ 7,768	\$ 7,859	\$ (91)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 152	\$ 184	\$ (32)	Primarily due to lower capital expenditures and timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	32	31	1	
Derivative Liability	0	0	0	
Accrued Taxes	30	27	2	
Regulatory Liabilities Current	38	55	(17)	Primarily ECR regulatory liability budgeted as a negative regulatory asset.
Other Current Liabilities	144	143	1	
Total Current Liabilities	395	440	(44)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,447	2,512	(65)	
Total Debt	2,447	2,512	(65)	
Deferred Tax Liabilities	719	718	2	
Investment Tax Credit	92	92	(0)	
Accum Provision for Pension & Related Benefits	0	(14)	14	Difference due to reclassification of the prepaid pension balance to other long term assets.
Asset Retirement Obligation	145	143	3	
Regulatory Liabilities Non Current	1,110	1,082	28	
Derivative Liability	0	0	0	
Other Liabilities	35	38	(3)	
Total Deferred Credits and Other Liabilities	2,102	2,058	44	
Equity	2,824	2,849	(25)	
Total Liabilities and Equity	\$ 7,768	\$ 7,859	\$ (91)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**KU and LG&E Combined
Reconciliation of Allowed Return to
12 months ended September 2018 Regulatory Return
and ROE from Ongoing Operations**

Allowed Return ⁽¹⁾	9.70%	
Adjustments (net tax):		
Change in capitalization - non mechanism	0.05%	Growth in capitalization (rate base) between rate cases does not earn a return
Change in ROE from average mechanism rate base growth	0.00%	Mechanisms have a real-time return
Change in weighted cost of debt	-0.03%	
Change in margins	0.08%	Slightly higher revenue
Change in allowed expenses	<u>0.82%</u>	Lower expense
	<u>0.92%</u>	
Actual Regulated ROE	10.62%	

⁽¹⁾ Based on the most recent base rate filings for a test year ending 6/30/18 for the KPSC and a test year ending 12/31/16 (with adjustments for year ending 12/31/2018) for VA and FERC Formula Rate Filing 12/31/17.
The KPSC authorized ROE is 9.7% after 7/1/17.



PPL companies

Performance Report

October 2018

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	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
Safety						
TCIR - Employees ⁽¹⁾	3.22	0.37	1.45	0.98	1.30	0.97
Employee lost-time incidents	2	0	6	8	8	9
Reliability	Actual	Budget	Actual	Budget	Forecast	Budget
Generation Volumes	2,667	2,419	29,097	28,151	34,651	33,704
Utility EFOR	1.0%	5.0%	2.4%	5.0%	N/A	5.0%
Utility EAF	72.4%	71.1%	85.0%	84.2%	N/A	83.7%
Combined SAIFI	0.06	0.07	0.77	0.87	N/A	0.99
Combined SAIDI (minutes)	6.43	5.52	80.91	79.58	N/A	91.90
GwH Sales	Actual	Budget	Actual	Budget	Forecast	Budget
Residential	704	625	9,223	8,719	10,892	10,502
Commercial	676	609	6,882	6,568	8,188	7,815
Industrial	787	750	7,705	7,776	9,298	9,321
Municipals	137	133	1,509	1,483	1,803	1,778
Other	241	224	2,386	2,356	2,812	2,822
Off-System Sales	63	11	574	134	662	150
Total	2,609	2,351	28,279	27,037	33,655	32,389
Weather-Normalized Sales Growth			TTM			
Residential			0.62%			
Commercial			0.18%			
Industrial			-1.02%			
Municipal			-4.18%			
Other			0.69%			
Total			-0.23%			

Variance Explanations
Higher MTD adjusted gross margins primarily due to higher sales volumes from favorable weather.
Higher YTD adjusted gross margins primarily due to higher sales volumes from favorable weather of \$31 million and a favorable TCJA revenue variance of \$3 million, partially offset by lower demand revenue of \$7 million, lower gas margins of \$2 million and lower other margin components of \$3 million.
Lower YTD O&M primarily due to the timing of plant maintenance costs of \$5 million, lower labor costs of \$6 million, and lower materials costs of \$2 million, partially offset by higher storm restoration costs of \$8 million.
Lower YTD financing costs, primarily due to lower than anticipated interest rates.

- (1) Full year forecast amount shown represents target.
- (2) Net of cost recovery mechanisms and variable costs of production.
- (3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses
- (4) The possible violation issues for YTD Actual is believed to be minimal risk.
- (5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Margins (\$ millions)						
Electric Margins	\$143	\$137	\$1,555	\$1,530	\$1,848	\$1,831
Gas Margins	\$12	\$11	\$143	\$146	\$186	\$185
Capital Expenditures (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
Total	\$110	\$114	\$914	\$1,096	\$1,172	\$1,277
O&M (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
O&M – Management View ⁽²⁾	\$72	\$72	\$630	\$635	\$758	\$752
O&M – GAAP View ⁽³⁾	\$80	\$82	\$712	\$729	\$857	\$869
Head Count	Actual	Budget	Actual	Budget	Forecast	Budget
Full-time Employees	3,495	3,601	3,495	3,601	3,579	3,597
Other Metrics	Actual	PY	Actual	PY	Forecast	PY
Environmental Events	2	0	5	5	N/A	8
NERC Possible Violations ⁽⁴⁾	2	0	10	7	N/A	8

	TTM	Full Year	
	Actual	Forecast	Budget
Financial Metrics			
Utility ROE ⁽⁵⁾	10.5%	10.2%	9.6%
Average Utility Capitalization (\$ millions)	\$9,330	\$9,435	\$9,527

Major Developments
The KPSC issued an Order in the rate case proceeding that established a procedural schedule. The schedule begins with the second round of discovery requests (first for intervenors) due to LG&E and KU on November 13 and continues through the filing of LG&E and KU's rebuttal testimony on February 26, 2019. A formal hearing has not been scheduled but would be expected in March 2019. An Order in the proceeding is expected at the end of April 2019.
LKE has once again been honored for its health and well-being efforts as the American Heart Association awarded the Company with a Gold Level Recognition, as referenced in a recent issue of Forbes magazine. Only 15 percent of organizations that applied received the Gold Level designation.
The Company filed its Integrated Resource Plan, which is required by the KPSC every three years. The Companies' forecasted reserve margin after planned retirements and expiration of Bluegrass agreement is within the new target reserve margin range of 17 to 25%, which reflects an increase from the previous range of 16 to 21% that is driven by increasing winter load volatility.

Significant Future Events
There are no major future events to report at this time.

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
October 2018

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 220	\$ 212	\$ 8	Due primarily to higher sales volumes from favorable weather.
Gas Revenues	19	16	4	
Total Revenues	240	228	12	
Cost of Sales:				
Fuel Electric Costs	59	54	(5)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	7	4	(3)	
Purchased Power	5	5	(0)	
Other Cost of Production	4	4	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	5	6	2	
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	6	7	0	
Total Cost of Sales	85	80	(6)	
Gross Margin:				
Electric Margin	143	137	5	See explanations above.
Gas Margin	12	11	1	
Total Gross Margin	154	148	6	
O&M	72	72	(0)	
Depreciation & Amortization	34	34	1	
Taxes, Other than Income	6	6	0	
Other income (expense)	(1)	(1)	(0)	
EBIT	42	36	6	
Interest Expense	20	20	1	
Income from Ongoing Operations before income taxes	22	15	7	
Income Tax Expense	5	4	(2)	
Net Income (loss) from ongoing operations	17	11	6	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	\$ 17	\$ 11	\$ 6	
KY Regulated Financing Costs	(3)	(3)	1	
KY Regulated Net Income	\$ 14	\$ 8	\$ 6	
Earnings Per Share - Ongoing	\$ 0.02	\$ 0.01	\$ 0.01	

Note: Schedules may not sum due to rounding.

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated
October 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,417	\$ 2,369	\$ 48	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	243	249	(6)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	2,660	2,618	42	
Cost of Sales:				
Fuel Electric Costs	672	637	(36)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	94	96	2	
Purchased Power	52	52	1	
Other Cost of Production	32	32	(0)	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	50	62	12	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	61	63	2	
Total Cost of Sales	962	942	(20)	
Gross Margin:				
Electric Margin	1,555	1,530	25	See explanations above.
Gas Margin	143	146	(2)	
Total Gross Margin	1,698	1,676	22	
O&M	630	635	5	Lower primarily due to the timing of plant maintenance costs, lower labor costs, and lower materials costs, partially offset by higher storm restoration costs.
Depreciation & Amortization	336	340	4	
Taxes, Other than Income	55	56	1	
Other income (expense)	(3)	(9)	6	Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson.
EBIT	674	636	38	
Interest Expense	192	199	8	Lower primarily due to lower than anticipated interest rates.
Income from Ongoing Operations before income taxes	482	437	45	
Income Tax Expense	100	96	(4)	
Net Income (loss) from ongoing operations	382	340	42	
Special Item - (Non Operating Income)	(7)	0	(7)	Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a \$9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by \$1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	0	0	0	
Net Income (loss)	\$ 375	\$ 340	\$ 35	
KY Regulated Financing Costs	(29)	(33)	4	
KY Regulated Net Income	346	\$ 308	\$ 38	
Earnings Per Share - Ongoing	\$ 0.50	\$ 0.42	\$ 0.08	

Note: Schedules may not sum due to rounding.

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Income Statement: Actual vs. Budget (YTD) - LG&E
October 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 985	\$ 959	\$ 26	Due primarily to higher sales volumes from favorable weather, partially offset by lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	243	249	(6)	Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery.
Total Revenues	1,228	1208	20	
Cost of Sales:				
Fuel Electric Costs	268	251	(17)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	94	96	2	
Purchased Power	41	43	2	
Other Cost of Production	13	14	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	18	25	7	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	27	28	1	
Total Cost of Sales	461	457	(5)	
Gross Margin:				
Electric Margin	623	605	18	See explanations above.
Gas Margin	143	146	(2)	
Total Gross Margin	766	751	15	
O&M	281	279	(2)	
Depreciation & Amortization	137	139	2	
Taxes, Other than Income	29	29	1	
Other income (expense)	(6)	(6)	(0)	
EBIT	314	299	16	
Interest Expense	63	66	3	
Income from Ongoing Operations before income taxes	251	232	18	
Income Tax Expense	54	53	(1)	
Net Income (loss) from ongoing operations	\$ 197	\$ 179	\$ 18	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

Income Statement: Actual vs. Budget (YTD) - KU
October 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,466	\$ 1,448	\$ 18	Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	0	0	0	
Total Revenues	1,466	1,448	18	
Cost of Sales:				
Fuel Electric Costs	414	388	(26)	Due primarily to higher fuel costs related to higher sales volumes from favorable weather.
Gas Supply Expenses	0	0	0	
Purchased Power	36	45	8	Due primarily to lower than anticipated intercompany expense for native load fuel.
Other Cost of Production	18	19	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	32	37	5	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	34	35	1	
Total Cost of Sales	534	523	(11)	
Gross Margin:				
Electric Margin	932	925	7	See explanations above.
Gas Margin	0	0	0	
Total Gross Margin	932	925	7	
O&M	323	330	7	Primarily due to lower labor and burdens and lower outside service expense.
Depreciation & Amortization	199	201	2	
Taxes, Other than Income	27	27	0	
Other income (expense)	2	(3)	5	Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson.
EBIT	385	364	21	
Interest Expense	83	86	3	
Income from Ongoing Operations before income taxes	302	278	24	
Income Tax Expense	63	62	(1)	
Net Income (loss) from ongoing operations	\$ 239	\$ 216	\$ 23	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

(\$ Millions)

	MTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	24	27	3	0	0	(1)	0	3
Project Engineering	0	0	0	0	0	(0)	0	0
Transmission	3	3	(0)	0	(0)	(0)	(0)	0
Energy Supply and Analysis	1	1	0	0	0	0	0	0
Electric Distribution	8	7	(1)	(0)	1	(0)	0	(2)
Gas Distribution	5	3	(1)	0	(0)	(1)	(0)	0
Safety and Technical Training	0	1	0	0	(0)	0	0	0
Environmental	1	1	0	(0)	0	0	(0)	0
Customer Services	9	8	(1)	(0)	0	0	0	(1)
Chief Operating Officer Total	51	51	(0)	0	1	(3)	0	1
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)
Information Technology	5	4	(1)	(1)	(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)
Other	0	0	(0)	0	0	(0)	(0)	0
Chief Financial Officer Total	9	8	(1)	(0)	(0)	(0)	(0)	0
General Counsel	1	1	0	0	0	(0)	(0)	0
Human Resources	1	1	0	0	0	(0)	0	0
Corporate	8	8	0	0	0	0	(0)	0
Communication	1	1	(0)	0	0	(0)	(0)	0
Utility Total	70	70	(1)	0	1	(3)	0	1
Nonutility	2	2	0	0	0	(0)	0	0
O&M Total MTD	72	72	(0)	1	1	(3)	0	2

	YTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	174	184	9	1	1	8	1	(2)
Project Engineering	0	0	0	(0)	(0)	(0)	0	0
Transmission	32	33	1	(0)	3	(1)	(0)	(0)
Energy Supply and Analysis	11	11	0	0	0	0	0	(0)
Electric Distribution	72	62	(10)	(2)	1	(7)	1	(2)
Gas Distribution	38	33	(5)	0	(4)	(0)	(0)	(1)
Safety and Technical Training	5	5	1	0	0	0	(0)	0
Environmental	5	6	1	(0)	0	0	0	1
Customer Services	84	82	(2)	(0)	0	1	0	(3)
Chief Operating Officer Total	421	417	(4)	(1)	1	1	2	(7)
Audit Services	1	1	0	0	0	0	0	0
Controller	7	8	0	0	0	0	(0)	0
Supply Chain	3	3	0	0	(0)	(0)	(0)	0
Information Technology	47	49	2	2	(1)	1	0	1
Treasurer	19	20	0	(0)	(0)	0	0	1
State Regulation and Rates	4	4	(0)	0	0	0	(0)	0
Other	2	2	0	0	0	(1)	0	1
Chief Financial Officer Total	83	87	3	3	(1)	(0)	(0)	2
General Counsel	14	15	1	0	0	(1)	0	2
Human Resources	5	6	0	0	(0)	(0)	0	0
Corporate	76	79	3	3	0	1	(0)	(0)
Communication	5	6	1	0	0	(0)	1	0
Utility Total	604	610	5	6	0	(0)	2	(2)
Nonutility	25	25	0	0	(0)	(1)	0	1
O&M Total YTD	630	635	5	6	0	(1)	2	(1)

Note: Schedules may not sum due to rounding.

Financing Activities
October 2018

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 890.0	\$ 890.0	\$ 0.0
End Bal	881.1	890.0	8.9
Ave Bal	\$ 886.7	\$ 890.0	\$ 3.25
Interest Exp	\$ 13.2	\$ 15.2	\$ 2.1
Rate	1.76%	2.03%	0.27%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,310.0	\$ 4,310.0	\$ 0.0
End Bal	4,660.0	4,533.3	(126.7)
Ave Bal	\$ 4,537.3	\$ 4,470.8	\$ (66.44)
Interest Exp	\$ 161.3	\$ 159.4	\$ (1.9)
Rate	4.21%	4.22%	0.01%
Short-term Debt			
Beg Bal	\$ 468.9	\$ 468.9	\$ 0.0
End Bal	378.5	686.1	307.6
Ave Bal ⁽¹⁾	\$ 371.8	\$ 531.4	\$ 159.7
Interest Exp	\$ 8.4	\$ 15.4	\$ 7.0
Rate	2.69%	3.44%	0.75%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (41.6)	\$ (41.6)	\$ 0.0
End Bal	(39.1)	(39.1)	0.1
Ave Bal	\$ (40.3)	\$ (40.5)	\$ (0.2)
Total End Bal	\$ 5,880.5	\$ 6,070.3	\$ 189.9
Total Average Bal	\$ 5,755.5	\$ 5,851.7	\$ 96.3
Total Expense Excl I/C ⁽²⁾	\$ 191.7	\$ 199.3	\$ 7.6
Rate	3.92%	4.01%	0.09%

⁽¹⁾ Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

⁽²⁾ 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	Money Pool Loans
	Capacity	Borrowed ⁽³⁾			
LKE	\$ 375	\$ 92		\$ 283	
LG&E	700	389		311	\$ 0
KU	598	98	\$ 198	302	0
TOTAL	\$ 1,673	\$ 579	\$ 198	\$ 896	\$ 0

⁽³⁾ LG&E borrowed amount includes commercial paper issuances and \$200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2018		LG&E 2018		KU 2018	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	15%	14%	25%	22%	24%	21%
CFO pre-WC + Interest / Interest	4.9	4.6	7.6	6.9	6.9	6.2
CFO pre-WC - Dividends / Debt	10%	9%	17%	15%	14%	12%
Debt to Capitalization	52%	53%	38%	39%	37%	38%

Credit Metrics Moody's	LKE 2018 BP		LG&E 2018 BP		KU 2018 BP	
	2019	2020	2019	2020	2019	2020
CFO pre-WC / Debt	14%	14%	19%	19%	19%	20%
CFO pre-WC + Interest / Interest	4.4	4.4	5.8	5.6	5.7	5.7
CFO pre-WC - Dividends / Debt	10%	10%	11%	10%	10%	11%
Debt to Capitalization	53%	52%	38%	38%	38%	38%

⁽¹⁾ Actuals represent a trailing 12 months.

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

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	22% - 30%	13% - 22%	5% - 13%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	17% - 25%	9% - 17%	0% - 9%
Debt / Capitalization	7.5%	35% - 45%	45% - 55%	55% - 65%

As of December 31, 2017	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.

Case Nos. 2018-00294 and 2018-00295

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Balance Sheet - LKE Consolidated

October 2018

(\$ Millions)

	10/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 14	\$ 14	\$ 0	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	357	414	(57)	
Inventory	245	246	(1)	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	12	9	3	
Prepayments and other current assets	74	75	(0)	
Total Current Assets	702	758	(56)	
Property, Plant, and Equipment	12,467	12,636	(169)	
Intangible Assets	79	79	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	787	788	(1)	
Goodwill	997	997	0	
Other Long-term Assets	74	77	(3)	
Total Assets	\$ 15,107	\$ 15,337	\$ (229)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 312	\$ 333	\$ (21)	Lower than budgeted KPSC TCJA due to the refund timing
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	61	58	3	
Derivative Liability	4	4	(1)	
Accrued Taxes	63	64	(1)	
Regulatory Liabilities Current	60	107	(47)	
Other Current Liabilities	271	304	(33)	Primarily due to decrease in customer advances and credit cash adjustment for outstanding checks not yet funded versus the budget which assumed static balances as of December 2017 when the budget was finalized and settlement of WKE indemnification partially offset by an increase in accrued salary and benefits clearing accounts versus budget which also assumed a static balance as of December 2017.
Total Current Liabilities	770	871	(100)	
Debt - Affiliated Company	742	759	(18)	
Debt ⁽¹⁾	5,139	5,311	(172)	
Total Debt	5,880	6,070	(190)	
Deferred Tax Liabilities	922	919	3	
Investment Tax Credit	126	127	(0)	
Accum Provision for Pension & Related Benefits	259	249	9	
Asset Retirement Obligation	226	227	(1)	
Regulatory Liabilities Non Current	2,049	2,000	49	
Derivative Liability	14	19	(5)	
Other Liabilities	137	148	(11)	
Total Deferred Credits and Other Liabilities	3,732	3,688	44	
Equity	4,724	4,708	17	
Total Liabilities and Equity	\$ 15,107	\$ 15,337	\$ (229)	

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

Note: Schedules may not sum due to rounding.

(\$ Millions)

	10/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 6	\$ 5	\$ 1	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast. Higher actual coal purchase, shifted from KU due to Ghent barge unloader outage
Accounts Receivable (Trade)	154	183	(29)	
Inventory	140	128	12	
Regulatory Assets Current	10	8	2	
Prepayments and other current assets	51	50	1	
Total Current Assets	360	373	(12)	
Property, Plant, and Equipment	5,530	5,609	(79)	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Intangible Assets	6	6	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	397	401	(4)	
Goodwill	0	0	0	
Other Long-term Assets	26	14	12	
Total Assets	\$ 6,320	\$ 6,404	\$ (84)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 195	\$ 197	\$ (2)	Primarily due to timing of property tax payments expected to occur during the month in the budget. Lower than budgeted KPSC TCJA due to the refund timing
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	29	27	1	
Derivative Liability	4	4	(1)	
Accrued Taxes	35	24	10	
Regulatory Liabilities Current	21	48	(27)	Primarily due to a decrease in credit cash adjustment for outstanding checks not yet funded and a decrease in customer advances versus the budget which assumed a static balance as of December 2017 when the budget was finalized.
Other Current Liabilities	74	93	(19)	
Total Current Liabilities	357	395	(38)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	1,998	2,046	(49)	
Total Debt	1,998	2,046	(49)	
Deferred Tax Liabilities	611	605	6	Difference due to reclassification of the prepaid pension balance to other long term assets.
Investment Tax Credit	34	34	(0)	
Accum Provision for Pension & Related Benefits	(0)	(21)	21	
Asset Retirement Obligation	85	89	(4)	
Regulatory Liabilities Non Current	875	858	17	
Derivative Liability	14	19	(5)	
Other Liabilities	81	84	(2)	
Total Deferred Credits and Other Liabilities	1,700	1,668	32	
Equity	2,265	2,295	(30)	
Total Liabilities and Equity	\$ 6,320	\$ 6,404	\$ (84)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

(\$ Millions)

	10/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 8	\$ 5	\$ 3	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	203	230	(28)	
Inventory	105	119	(13)	
Regulatory Assets Current	1	1	0	
Prepayments and other current assets	40	49	(9)	
Total Current Assets	358	405	(47)	
Property, Plant, and Equipment	6,926	7,019	(93)	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Intangible Assets	12	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	387	388	(1)	
Goodwill	0	0	0	
Other Long-term Assets	76	61	15	
Total Assets	\$ 7,760	\$ 7,885	\$ (125)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 162	\$ 184	\$ (22)	Primarily due to lower capital expenditures and timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	32	31	1	Primarily due to timing of property tax payments expected to occur during the month in the budget.
Derivative Liability	0	0	0	
Accrued Taxes	37	18	18	
Regulatory Liabilities Current	39	59	(20)	
Other Current Liabilities	139	141	(2)	
Total Current Liabilities	408	433	(25)	
Debt - Affiliated Company	0	0	0	Lower than budgeted KPSC TCJA due to the refund timing
Debt ⁽¹⁾	2,417	2,540	(123)	
Total Debt	2,417	2,540	(123)	
Deferred Tax Liabilities	719	718	2	Difference due to reclassification of the prepaid pension balance to other long term assets.
Investment Tax Credit	92	92	(0)	
Accum Provision for Pension & Related Benefits	0	(15)	15	
Asset Retirement Obligation	141	138	3	
Regulatory Liabilities Non Current	1,110	1,081	29	
Derivative Liability	0	0	0	
Other Liabilities	35	38	(3)	
Total Deferred Credits and Other Liabilities	2,097	2,052	45	
Equity	2,837	2,860	(23)	
Total Liabilities and Equity	\$ 7,760	\$ 7,885	\$ (125)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



PPL companies

Performance Report

November 2018

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	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
Safety						
TCIR - Employees ⁽¹⁾	1.26	0.72	1.43	0.96	1.30	0.97
Employee lost-time incidents	1	0	8	8	9	9
Reliability	Actual	Budget	Actual	Budget	Forecast	Budget
Generation Volumes	2,651	2,566	31,749	30,717	34,736	33,704
Utility EFOR	7.4%	5.0%	2.8%	5.0%	N/A	5.0%
Utility EAF	75.4%	75.3%	84.2%	83.4%	N/A	83.7%
Combined SAIFI	0.06	0.06	0.85	0.93	N/A	0.99
Combined SAIDI (minutes)	5.58	5.75	88.25	85.33	N/A	91.90
GwH Sales	Actual	Budget	Actual	Budget	Forecast	Budget
Residential	852	744	10,075	9,463	11,030	10,502
Commercial	617	600	7,499	7,168	8,168	7,815
Industrial	736	773	8,441	8,549	9,218	9,321
Municipals	138	137	1,647	1,620	1,803	1,778
Other	221	228	2,607	2,584	2,824	2,822
Off-System Sales	47	5	621	139	687	150
Total	2,612	2,486	30,891	29,523	33,730	32,389
Weather-Normalized Sales Growth			TTM			
Residential			0.12%			
Commercial			0.45%			
Industrial			-0.61%			
Municipal			-4.11%			
Other			1.01%			
Total			-0.17%			

Variance Explanations
Higher MTD adjusted gross margins primarily due to higher sales volumes from load supportive temperatures.
Higher YTD adjusted gross margins primarily due to higher sales volumes from load supportive temperatures of \$36 million and a favorable TCJA revenue variance of \$3 million, partially offset by lower demand revenue of \$8 million, and lower other margin components of \$2 million.
Higher MTD O&M primarily due to storm restoration costs related to the November ice storm.
Higher YTD O&M primarily due to higher storm restoration costs of \$16 million, partially offset by lower labor costs of \$9 million, and lower other costs of \$1 million.

(1) Full year forecast amount shown represents target.
 (2) Net of cost recovery mechanisms and variable costs of production.
 (3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses
 (4) The possible violation issues for YTD Actual is believed to be minimal risk.
 (5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Margins (\$ millions)						
Electric Margins	\$145	\$141	\$1,700	\$1,672	\$1,853	\$1,831
Gas Margins	\$19	\$16	\$162	\$162	\$187	\$185
Capital Expenditures (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
Total	\$124	\$88	\$1,038	\$1,184	\$1,168	\$1,277
O&M (\$ millions)	Actual	Budget	Actual	Budget	Forecast	Budget
O&M – Management View ⁽²⁾	\$73	\$61	\$702	\$696	\$767	\$752
O&M – GAAP View ⁽³⁾	\$80	\$71	\$793	\$800	\$865	\$869
Head Count	Actual	Budget	Actual	Budget	Forecast	Budget
Full-time Employees	3,494	3,601	3,494	3,601	3,550	3,597
Other Metrics	Actual	PY	Actual	PY	Forecast	PY
Environmental Events	0	2	5	7	N/A	8
NERC Possible Violations ⁽⁴⁾	0	1	10	8	N/A	8

	TTM	Full Year	
	Actual	Forecast	Budget
Financial Metrics			
Utility ROE ⁽⁵⁾	10.4%	10.2%	9.6%
Average Utility Capitalization (\$ millions)	\$9,376	\$9,431	\$9,527

Major Developments
On November 15th, an icing event across the Company's service territories produced approximately 153,000 customer outages. It resulted in 6,000 cases of trouble, 69 circuit lockouts, 26 broken poles, and nearly 2,600 wires down. All customers were restored within a few days with only one safety incident reported for the entire storm. This storm ranks in the Top 10 (#7) of storms since tracking started in 2003.
LKE filed nearly 2,300 responses to data requests in its rate cases at the KPSC. The Company will receive supplemental data requests on December 13. A formal hearing has not been scheduled but would be expected in March 2019.
A hearing was conducted in the case involving the creation of regulatory liabilities related to the changes in Kentucky state income taxes and regulatory assets connected with the July 20 storm restoration costs. Post hearing data responses have also been submitted with briefs to follow. An order has been requested by the end of the year. The outcome of this proceeding with respect to the July 20 storm will provide a strong signal as to potential regulatory asset treatment for the November 15th ice storm.
LG&E received approval from the KPSC to extend or replace its revolving line of credit and to issue up to \$600 million of first mortgage bonds. KU had previously received a similar order including a first mortgage bond issuance up to \$400 million.

Significant Future Events
There are no major future events to report at this time.

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
November 2018

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 229	\$ 218	\$ 10	Due primarily to higher sales volumes from load supportive temperatures.
Gas Revenues	39	28	11	Due primarily to higher sales volumes from load supportive temperatures.
Total Revenues	267	246	21	
Cost of Sales:				
Fuel Electric Costs	65	57	(8)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	19	11	(8)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Purchased Power	5	5	(0)	
Other Cost of Production	3	4	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	5	6	1	
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	6	7	0	
Total Cost of Sales	103	89	(15)	
Gross Margin:				
Electric Margin	145	141	4	
Gas Margin	19	16	3	
Total Gross Margin	164	158	6	
O&M	73	61	(11)	Higher O&M primarily due to storm restoration costs related to the November ice storm.
Depreciation & Amortization	34	35	1	
Taxes, Other than Income	6	6	0	
Other income (expense)	(0)	(1)	1	
EBIT	52	55	(4)	
Interest Expense	20	21	1	
Income from Ongoing Operations before income taxes	32	35	(3)	
Income Tax Expense	8	9	1	
Net Income (loss) from ongoing operations	24	26	(2)	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	\$ 24	\$ 26	\$ (2)	
KY Regulated Financing Costs	(3)	(3)	1	
KY Regulated Net Income	\$ 22	\$ 23	\$ (1)	
Earnings Per Share - Ongoing	\$ 0.03	\$ 0.03	\$ (0.00)	

Note: Schedules may not sum due to rounding.

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

November 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,646	\$ 2,587	\$ 58	Due primarily to higher sales volumes from load supportive temperatures, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	282	277	5	Due primarily to higher sales volumes from load supportive temperatures.
Total Revenues	2,927	2,864	63	
Cost of Sales:				
Fuel Electric Costs	737	694	(44)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	113	107	(7)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Purchased Power	57	57	1	
Other Cost of Production	36	36	(0)	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	55	68	13	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	67	70	2	
Total Cost of Sales	1,065	1,031	(34)	
Gross Margin:				
Electric Margin	1,700	1,672	28	See explanations above.
Gas Margin	162	162	0	
Total Gross Margin	1,862	1,834	29	
O&M	702	696	(6)	Higher O&M primarily due to higher storm restoration costs, partially offset by lower labor costs, and lower other costs.
Depreciation & Amortization	370	375	5	Primarily due to lower plant in service.
Taxes, Other than Income	61	62	1	
Other income (expense)	(3)	(9)	6	Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson.
EBIT	726	692	34	
Interest Expense	211	220	8	Lower primarily due to lower than anticipated interest rates.
Income from Ongoing Operations before income taxes	514	472	43	
Income Tax Expense	108	105	(3)	
Net Income (loss) from ongoing operations	407	367	40	
Special Item - (Non Operating Income)	(7)	0	(7)	Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a \$9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by \$1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	0	0	0	
Net Income (loss)	\$ 399	\$ 367	\$ 33	
KY Regulated Financing Costs	(31)	(36)	5	Due to lower allocated financing costs from PPL.
KY Regulated Net Income	368	\$ 331	\$ 37	
Earnings Per Share - Ongoing	\$ 0.53	\$ 0.45	\$ 0.08	

Note: Schedules may not sum due to rounding.

Case Nos. 2018-00294 and 2018-00295

Attachment to Filing Requirement 807 KAR 5:001 Sec. 16(7)(o)

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Arbough

Income Statement: Actual vs. Budget (YTD) - LG&E
November 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,072	\$ 1,042	\$ 30	Due primarily to higher sales volumes from load supportive temperatures, partially offset by lower DSM program spend and lower ECR capital and expenses.
Gas Revenues	282	277	5	Due primarily to higher sales volumes from load supportive temperatures.
Total Revenues	1,354	1319	35	
Cost of Sales:				
Fuel Electric Costs	290	271	(19)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	113	107	(7)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Purchased Power	45	47	2	
Other Cost of Production	15	15	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	20	28	8	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	30	31	1	
Total Cost of Sales	513	499	(14)	
Gross Margin:				
Electric Margin	679	659	20	See explanations above.
Gas Margin	162	162	0	
Total Gross Margin	841	821	20	
O&M	318	307	(11)	Higher O&M primarily due to storm restoration costs.
Depreciation & Amortization	150	153	2	
Taxes, Other than Income	32	32	1	
Other income (expense)	(5)	(6)	1	
EBIT	336	323	13	
Interest Expense	70	73	3	
Income from Ongoing Operations before income taxes	266	250	16	
Income Tax Expense	58	58	(0)	
Net Income (loss) from ongoing operations	\$ 208	\$ 192	\$ 16	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

Income Statement: Actual vs. Budget (YTD) - KU
November 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,610	\$ 1,586	\$ 24	Due primarily to higher sales volumes from load supportive temperatures, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	0	0	0	
Total Revenues	1,610	1,586	24	
Cost of Sales:				
Fuel Electric Costs	457	424	(33)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	0	0	0	
Purchased Power	39	49	10	Due primarily to lower than anticipated intercompany expense for native load fuel.
Other Cost of Production	20	21	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	35	40	6	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	37	39	1	
Total Cost of Sales	588	573	(15)	
Gross Margin:				
Electric Margin	1,022	1013	8	See explanations above.
Gas Margin	0	0	0	
Total Gross Margin	1,022	1013	8	
O&M	356	362	6	Primarily due to lower labor and burdens and lower outside service expense.
Depreciation & Amortization	219	221	2	
Taxes, Other than Income	29	30	0	
Other income (expense)	1	(3)	4	
EBIT	418	397	21	
Interest Expense	91	94	3	
Income from Ongoing Operations before income taxes	327	303	24	
Income Tax Expense	69	68	(1)	
Net Income (loss) from ongoing operations	\$ 257	\$ 235	\$ 23	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

O&M				November 2018						
(\$ Millions)										
	MTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other		
	Actual	Budget	Total Variance							
Generation	21	19	(2)	(0)	(0)	(3)	(1)			2
Project Engineering	0	0	0	0	(0)	(0)	0			0
Transmission	4	3	(2)	0	(0)	(1)	(0)			(0)
Energy Supply and Analysis	1	1	(0)	0	0	0	(0)			(0)
Electric Distribution	14	6	(8)	(1)	(6)	(1)	(0)			(0)
Gas Distribution	4	3	(1)	0	(1)	0	(0)			(0)
Safety and Technical Training	1	0	(0)	0	(0)	(0)	(0)			(0)
Environmental	1	1	0	(0)	0	0	0			0
Customer Services	8	8	(0)	0	(0)	0	(0)			(1)
Chief Operating Officer Total	53	41	(12)	(0)	(7)	(4)	(1)			1
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
Information Technology	5	5	0	0	(0)	(0)	0			(0)
Treasurer	2	2	0	(0)	(0)	0	0			0
State Regulation and Rates	0	1	0	0	0	0	0			0
Other	0	0	0	0	0	(0)	0			0
Chief Financial Officer Total	8	9	0	0	(0)	(0)	0			0
General Counsel	2	1	(0)	0	0	(0)	0			(0)
Human Resources	1	1	(0)	0	(0)	(0)	0			(0)
Corporate	6	8	2	2	0	(0)	(0)			0
Communication	1	0	(1)	0	0	(0)	(0)			0
Utility Total	70	59	(11)	2	(8)	(5)	(1)			1
Nonutility	3	2	(1)	0	(0)	(0)	0			(1)
O&M Total MTD	73	61	(11)	2	(8)	(5)	(1)			1

	YTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other		
	Actual	Budget	Total Variance							
Generation	195	203	8	1	1	6	0			(0)
Project Engineering	0	0	0	0	(0)	(0)	0			0
Transmission	36	36	(1)	(0)	3	(2)	(1)			(0)
Energy Supply and Analysis	12	12	0	0	0	0	0			(0)
Electric Distribution	86	68	(17)	(2)	(5)	(8)	0			(3)
Gas Distribution	41	36	(6)	0	(5)	0	(0)			(1)
Safety and Technical Training	5	5	0	0	0	0	(0)			0
Environmental	6	7	1	(0)	0	0	0			1
Customer Services	92	90	(2)	0	0	1	0			(3)
Chief Operating Officer Total	473	458	(16)	(1)	(6)	(3)	0			(6)
Audit Services	1	2	0	0	0	(0)	0			0
Controller	8	8	0	0	0	(0)	0			0
Supply Chain	4	4	0	0	(0)	(0)	(0)			0
Information Technology	51	54	2	2	(1)	0	0			1
Treasurer	21	22	1	(0)	(0)	0	0			1
State Regulation and Rates	4	4	0	0	0	0	(0)			0
Other	2	2	0	0	0	(1)	0			1
Chief Financial Officer Total	92	95	4	3	(1)	(1)	(0)			3
General Counsel	15	16	1	0	0	(2)	0			2
Human Resources	6	6	0	0	(0)	(0)	0			0
Corporate	82	87	5	5	0	1	(0)			0
Communication	6	6	0	0	0	(0)	0			0
Utility Total	674	669	(5)	8	(7)	(5)	0			(1)
Nonutility	28	28	(0)	0	(0)	(1)	0			0
O&M Total YTD	702	696	(6)	8	(7)	(6)	0			(1)

Note: Schedules may not sum due to rounding.

Financing Activities
November 2018

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 890.0	\$ 890.0	\$ 0.0
End Bal	881.1	890.0	8.9
Ave Bal	\$ 886.3	\$ 890.0	\$ 3.72
Interest Exp	\$ 14.5	\$ 16.8	\$ 2.3
Rate	1.77%	2.03%	0.27%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,310.0	\$ 4,310.0	\$ 0.0
End Bal	4,660.0	4,533.3	(126.7)
Ave Bal	\$ 4,547.5	\$ 4,476.0	\$ (71.46)
Interest Exp	\$ 177.8	\$ 175.6	\$ (2.2)
Rate	4.21%	4.23%	0.01%
Short-term Debt			
Beg Bal	\$ 468.9	\$ 468.9	\$ 0.0
End Bal	455.4	753.6	298.2
Ave Bal ⁽¹⁾	\$ 377.0	\$ 550.0	\$ 173.0
Interest Exp	\$ 9.5	\$ 17.4	\$ 8.0
Rate	2.71%	3.42%	0.71%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (41.6)	\$ (41.6)	\$ 0.0
End Bal	(38.7)	(38.7)	0.1
Ave Bal	\$ (40.2)	\$ (40.4)	\$ (0.1)
Total End Bal	\$ 5,957.8	\$ 6,138.2	\$ 180.5
Total Average Bal	\$ 5,770.5	\$ 5,875.6	\$ 105.1
Total Expense Excl I/C ⁽²⁾	\$ 211.4	\$ 219.9	\$ 8.5
Rate	3.92%	4.01%	0.09%

⁽¹⁾ Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

⁽²⁾ 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	Money Pool Loans
	Capacity	Borrowed ⁽³⁾			
LKE	\$ 375	\$ 101		\$ 274	
LG&E	700	421		279	\$ 0
KU	598	133	\$ 198	267	0
TOTAL	\$ 1,673	\$ 655	\$ 198	\$ 820	\$ 0

⁽³⁾ LG&E borrowed amount includes commercial paper issuances and \$200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Credit Metrics ⁽¹⁾ Moody's	LKE 2018		LG&E 2018		KU 2018	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	15%	14%	24%	22%	24%	20%
CFO pre-WC + Interest / Interest	4.9	4.5	7.4	6.8	6.8	6.1
CFO pre-WC - Dividends / Debt	10%	9%	17%	15%	13%	11%
Debt to Capitalization	52%	53%	39%	39%	37%	38%

Credit Metrics Moody's	LKE 2018 BP		LG&E 2018 BP		KU 2018 BP	
	2019	2020	2019	2020	2019	2020
CFO pre-WC / Debt	14%	14%	19%	19%	19%	20%
CFO pre-WC + Interest / Interest	4.4	4.4	5.8	5.6	5.7	5.7
CFO pre-WC - Dividends / Debt	10%	10%	11%	10%	10%	11%
Debt to Capitalization	53%	52%	38%	38%	38%	38%

⁽¹⁾ Actuals represent a trailing 12 months.

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

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	22% - 30%	13% - 22%	5% - 13%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	17% - 25%	9% - 17%	0% - 9%
Debt / Capitalization	7.5%	35% - 45%	45% - 55%	55% - 65%

As of December 31, 2017	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.

Case Nos. 2018-00294 and 2018-00295

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Arbough

Balance Sheet - LKE Consolidated

November 2018

(\$ Millions)

	11/30/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 14	\$ 14	\$ (1)	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	380	429	(49)	
Inventory	251	257	(6)	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	15	8	8	
Prepayments and other current assets	78	73	5	
Total Current Assets	738	781	(43)	
Property, Plant, and Equipment	12,540	12,678	(137)	
Intangible Assets	78	79	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	788	787	1	
Goodwill	997	997	0	
Other Long-term Assets	74	78	(4)	
Total Assets	\$ 15,216	\$ 15,399	\$ (183)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 352	\$ 320	\$ 32	Primarily due to the refund timing for KPSC TCJA.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	61	58	3	
Derivative Liability	4	4	(1)	
Accrued Taxes	71	78	(7)	
Regulatory Liabilities Current	53	117	(64)	
Other Current Liabilities	246	265	(20)	
Total Current Liabilities	786	843	(57)	
Debt - Affiliated Company	751	768	(17)	
Debt ⁽¹⁾	5,207	5,370	(163)	
Total Debt	5,958	6,138	(180)	
Deferred Tax Liabilities	922	919	3	
Investment Tax Credit	126	126	(0)	
Accum Provision for Pension & Related Benefits	260	248	12	
Asset Retirement Obligation	218	224	(6)	
Regulatory Liabilities Non Current	2,047	1,999	48	
Derivative Liability	14	18	(4)	
Other Liabilities	137	148	(12)	
Total Deferred Credits and Other Liabilities	3,724	3,683	41	
Equity	4,749	4,735	13	
Total Liabilities and Equity	\$ 15,216	\$ 15,399	\$ (183)	

⁽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 2018

(\$ Millions)

	11/30/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 5	\$ 5	\$ (0)	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	170	191	(22)	
Inventory	143	134	9	
Regulatory Assets Current	13	8	6	
Prepayments and other current assets	57	49	8	
Total Current Assets	387	387	0	
Property, Plant, and Equipment	5,559	5,633	(74)	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Intangible Assets	6	6	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	397	400	(3)	
Goodwill	0	0	0	
Other Long-term Assets	26	14	12	
Total Assets	\$ 6,376	\$ 6,441	\$ (65)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 204	\$ 192	\$ 12	Primarily due to the refund timing for KPSC TCJA. Primarily due to a decrease in customer advances versus the budget which assumed a static balance as of December 2017 when the budget was finalized.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	29	27	1	
Derivative Liability	4	4	(1)	
Accrued Taxes	42	32	10	
Regulatory Liabilities Current	18	53	(35)	
Other Current Liabilities	74	85	(11)	
Total Current Liabilities	370	393	(22)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,030	2,073	(43)	
Total Debt	2,030	2,073	(43)	
Deferred Tax Liabilities	611	605	6	Difference due to reclassification of the prepaid pension balance to other long term assets.
Investment Tax Credit	34	34	(0)	
Accum Provision for Pension & Related Benefits	(0)	(22)	22	
Asset Retirement Obligation	82	89	(6)	
Regulatory Liabilities Non Current	876	859	17	
Derivative Liability	14	18	(4)	
Other Liabilities	81	84	(3)	
Total Deferred Credits and Other Liabilities	1,699	1,667	32	
Equity	2,277	2,308	(31)	
Total Liabilities and Equity	\$ 6,376	\$ 6,441	\$ (65)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

(\$ Millions)

	11/30/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 9	\$ 5	\$ 4	Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast.
Accounts Receivable (Trade)	210	237	(27)	
Inventory	108	123	(15)	
Regulatory Assets Current	2	0	2	
Prepayments and other current assets	41	48	(7)	
Total Current Assets	370	414	(43)	
Property, Plant, and Equipment	6,970	7,037	(66)	Primarily due to the reclassification of the prepaid pension balance from Accum Provision for Pension & Related Benefits.
Intangible Assets	12	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	388	388	(0)	
Goodwill	0	0	0	
Other Long-term Assets	77	61	15	
Total Assets	\$ 7,818	\$ 7,912	\$ (95)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 190	\$ 176	\$ 14	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	32	31	1	
Derivative Liability	0	0	0	
Accrued Taxes	45	27	17	
Regulatory Liabilities Current	34	64	(30)	Primarily due to the refund timing for KPSC TCJA.
Other Current Liabilities	118	116	2	
Total Current Liabilities	419	414	5	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,452	2,572	(120)	
Total Debt	2,452	2,572	(120)	
Deferred Tax Liabilities	719	718	2	Difference due to reclassification of the prepaid pension balance to other long term assets.
Investment Tax Credit	92	92	(0)	
Accum Provision for Pension & Related Benefits	0	(15)	15	
Asset Retirement Obligation	136	136	0	
Regulatory Liabilities Non Current	1,108	1,080	28	
Derivative Liability	0	0	0	
Other Liabilities	35	38	(3)	
Total Deferred Credits and Other Liabilities	2,090	2,048	42	
Equity	2,856	2,878	(22)	
Total Liabilities and Equity	\$ 7,818	\$ 7,912	\$ (95)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



PPL companies

Performance Report

December 2018

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	Current Month		YTD	
	Actual	PY	Actual	PY
Safety				
TCIR - Employees	2.37	1.12	1.50	0.97
Employee lost-time incidents	1	1	9	9
Reliability				
	Actual	Budget	Actual	Budget
Generation Volumes	2,798	2,988	34,547	33,704
Utility EFOR	2.8%	5.0%	2.8%	5.0%
Utility EAF	89.1%	87.4%	84.6%	83.7%
Combined SAIFI	0.07	0.07	0.92	0.99
Combined SAIDI (minutes)	6.98	6.57	95.23	91.90
GwH Sales				
	Actual	Budget	Actual	Budget
Residential	991	1,039	11,066	10,502
Commercial	653	648	8,152	7,815
Industrial	708	772	9,150	9,321
Municipals	145	158	1,792	1,778
Other	214	239	2,821	2,822
Off-System Sales	48	10	669	150
Total	2,759	2,866	33,650	32,389
Weather-Normalized Sales Growth				
			TTM	
Residential			0.28%	
Commercial			0.85%	
Industrial			-0.15%	
Municipal			-3.17%	
Other			0.92%	
Total			0.16%	

	Current Month		YTD	
	Actual	Budget	Actual	Budget
Margins (\$ millions)				
Electric Margins	\$154	\$160	\$1,854	\$1,831
Gas Margins	\$25	\$24	\$187	\$185
Capital Expenditures (\$ millions)				
	Actual	Budget	Actual	Budget
Total	\$125	\$93	\$1,163	\$1,277
O&M (\$ millions)				
	Actual	Budget	Actual	Budget
O&M – Management View ⁽¹⁾	\$48	\$56	\$750	\$752
O&M – GAAP View ⁽²⁾	\$56	\$69	\$848	\$869
Head Count				
	Actual	Budget	Actual	Budget
Full-time Employees	3,504	3,597	3,504	3,597
Other Metrics				
	Actual	PY	Actual	PY
Environmental Events	0	1	5	8
NERC Possible Violations ⁽³⁾	0	0	10	8

	Full Year	
	Actual	Budget
Financial Metrics		
Utility ROE ⁽⁴⁾	10.5%	9.6%
Average Utility Capitalization (\$ millions)	\$9,436	\$9,527

Variance Explanations
Lower MTD adjusted gross margins primarily due to lower electric sales volumes from non-load supportive temperatures of \$5 million.
Higher YTD adjusted gross margins primarily due to load supportive temperatures of \$49 million, partially offset by lower peak demand of \$10 million, lower ECR revenues of \$9 million, and lower other margin items of \$6 million.
Lower MTD O&M primarily due to the reclassification of storm restoration expenses to regulatory assets.

- (1) Net of cost recovery mechanisms and variable costs of production.
- (2) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses
- (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.

Major Developments
LG&E and KU filed nearly 1,100 responses to supplemental data requests in its rate cases at the KPSC. The next step in the proceeding is for intervenor testimony to be filed January 16. The KPSC also scheduled the formal evidentiary hearing to begin March 5th.
The KPSC issued an Order that authorized LG&E and KU to establish regulatory assets for the restoration costs (\$7.2 million) associated with a severe July storm. LG&E subsequently filed an application requesting a regulatory asset for restoration costs (\$6.3 million) associated with a severe November storm event which is expected to be approved based on the precedent established in this prior proceeding. Also, as expected, the KPSC authorized LG&E and KU to establish regulatory liabilities for the excess accumulated deferred income taxes (\$35.0 million) created by the reduction in the Kentucky corporate income tax rate.
KU filed an application with the Tennessee Public Utility Commission ("TPUC") requesting permission to abandon its service area in the state and withdraw its tariff for electric service after having acquired the four remaining residential properties served in the state. The filing also calls for an order declaring that KU is no longer a public utility under Tennessee law and is not subject to TPUC regulation.
The Company raised a record breaking \$2,028,252 for its annual Power of One employee fundraising campaign which benefits United Way agencies across the state as well as Fund for the Arts and Crusade for Children. The figure marked the second consecutive year total funds raised exceeded \$2 million. 67 percent of LKE's employees participated through payroll deduction.

Significant Future Events
Future events include the rate case items discussed in the major event section.

Case Nos. 2018-00294 and 2018-00295

Attachment to Filing Requirement 807 KAR 5:001 Sec. 16(7)(o)

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Arbough

Income Statement: Actual vs. Budget (Month) - LKE Consolidated
December 2018

(\$ Millions)

	MTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 241	\$ 253	\$ (11)	Due primarily to lower sales volumes from non-load supportive temperatures and lower DSM and ECR mechanism spend.
Gas Revenues	50	46	4	
Total Revenues	291	298	(7)	
Cost of Sales:				
Fuel Electric Costs	68	68	0	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Gas Supply Expenses	24	21	(3)	
Purchased Power	6	5	(1)	
Other Cost of Production	3	4	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	5	10	5	
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	6	7	0	
Total Cost of Sales	112	115	3	
Gross Margin:				
Electric Margin	154	160	(6)	See explanations above.
Gas Margin	25	24	1	
Total Gross Margin	179	183	(5)	
O&M	48	56	8	Lower O&M primarily due to the reclassification of storm restoration expenses to regulatory assets.
Depreciation & Amortization	34	35	1	
Taxes, Other than Income	5	6	0	Primarily due to a contribution to the LG&E and KU Foundation.
Other income (expense)	(12)	(1)	(11)	
EBIT	80	86	(6)	
Interest Expense	20	21	1	
Income from Ongoing Operations before income taxes	59	65	(6)	
Income Tax Expense	14	12	(2)	
Net Income (loss) from ongoing operations	46	53	(7)	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	\$ 46	\$ 53	\$ (7)	
KY Regulated Financing Costs	(3)	(3)	1	
KY Regulated Net Income	\$ 43	\$ 49	\$ (7)	
Earnings Per Share - Ongoing	\$ 0.06	\$ 0.07	\$ (0.01)	

Note: Schedules may not sum due to rounding.

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

December 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 2,884	\$ 2,840	\$ 44	Due primarily to higher sales volumes from load supportive temperatures, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	331	323	8	Due primarily to higher sales volumes from load supportive temperatures.
Total Revenues	3,216	3,163	53	
Cost of Sales:				
Fuel Electric Costs	803	762	(41)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	138	128	(10)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Purchased Power	62	62	(0)	
Other Cost of Production	39	40	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	59	78	19	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	74	77	3	
Total Cost of Sales	1,175	1,146	(29)	
Gross Margin:				
Electric Margin	1,854	1,831	23	See explanations above.
Gas Margin	187	185	1	
Total Gross Margin	2,041	2,017	24	
O&M	750	752	2	
Depreciation & Amortization	404	410	5	Primarily due to lower than anticipated plant in service.
Taxes, Other than Income	66	67	1	
Other income (expense)	(15)	(10)	(5)	Due to a contribution to the LG&E and KU Foundation, partially offset by lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson.
EBIT	805	778	28	
Interest Expense	232	241	9	Lower primarily due to lower than anticipated interest rates.
Income from Ongoing Operations before income taxes	574	537	37	
Income Tax Expense	121	117	(4)	
Net Income (loss) from ongoing operations	452	420	33	
Special Item - (Non Operating Income)	(7)	0	(7)	Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a \$9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by \$1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	0	0	0	
Net Income (loss)	\$ 445	\$ 420	\$ 25	
KY Regulated Financing Costs	(34)	(40)	5	Due to lower allocated financing costs from PPL.
KY Regulated Net Income	411	\$ 380	\$ 31	
Earnings Per Share - Ongoing	\$ 0.59	\$ 0.52	\$ 0.07	

Case Nos. 2018-00294 and 2018-00295

Note: Schedules may not sum due to rounding.

Attachment to Filing Requirement 807 KAR 5:001 Sec. 16(7)(o)

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Arbough

Income Statement: Actual vs. Budget (YTD) - LG&E
December 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,167	\$ 1,141	\$ 26	Due primarily to higher sales volumes from load supportive temperatures, partially offset by lower DSM program spend and lower ECR capital and expenses.
Gas Revenues	331	323	8	Due primarily to higher sales volumes from load supportive temperatures.
Total Revenues	1,499	1,464	34	
Cost of Sales:				
Fuel Electric Costs	319	299	(20)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	138	128	(10)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Purchased Power	49	50	2	
Other Cost of Production	17	17	0	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	22	32	10	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	33	34	1	
Total Cost of Sales	577	561	(15)	
Gross Margin:				
Electric Margin	735	718	18	See explanations above.
Gas Margin	187	185	1	
Total Gross Margin	922	903	19	
O&M	337	332	(5)	Primarily due to increased gas inline inspections and the line locating program, partially offset by favorable labor & burdens.
Depreciation & Amortization	164	167	3	
Taxes, Other than Income	34	35	1	
Other income (expense)	(13)	(7)	(6)	Primarily due to a contribution to the LG&E and KU Foundation.
EBIT	373	362	11	
Interest Expense	77	80	3	
Income from Ongoing Operations before income taxes	297	282	14	
Income Tax Expense	64	64	(0)	
Net Income (loss) from ongoing operations	\$ 232	\$ 218	\$ 14	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

Income Statement: Actual vs. Budget (YTD) - KU
December 2018

(\$ Millions)

	YTD			Comments
	Actual	Budget	Variance	
Revenues:				
Electric Revenues	\$ 1,759	\$ 1,745	\$ 14	Due primarily to higher sales volumes from load supportive temperatures, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses.
Gas Revenues	0	0	0	
Total Revenues	1,759	1,745	14	
Cost of Sales:				
Fuel Electric Costs	494	464	(30)	Due primarily to higher fuel costs related to higher sales volumes from load supportive temperatures.
Gas Supply Expenses	0	0	0	
Purchased Power	46	56	10	Due primarily to lower than anticipated intercompany expense for native load fuel.
Other Cost of Production	22	23	1	
Mechanism - ECR, DSM & GLT - Operation and Maintenance	38	46	8	Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses.
Mechanism - ECR, DSM & GLT - Depreciation and Property Tax	41	42	1	
Total Cost of Sales	641	631	(9)	
Gross Margin:				
Electric Margin	1,119	1,114	5	See explanations above.
Gas Margin	0	0	0	
Total Gross Margin	1,119	1,114	5	
O&M	381	391	9	Primarily due to lower labor and burdens and lower outside service expense.
Depreciation & Amortization	239	242	3	
Taxes, Other than Income	32	32	0	
Other income (expense)	(4)	(4)	(0)	
EBIT	462	445	17	
Interest Expense	100	103	3	
Income from Ongoing Operations before income taxes	363	342	20	
Income Tax Expense	76	75	(0)	
Net Income (loss) from ongoing operations	\$ 287	\$ 267	\$ 20	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

(\$ Millions)

	MTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	17	14	(3)	(1)	0	(3)	(1)	2
Project Engineering	0	0	0	(0)	0	(0)	0	0
Transmission	3	3	(0)	(0)	(0)	0	(0)	(0)
Energy Supply and Analysis	1	1	(0)	(0)	0	(0)	(0)	(0)
Electric Distribution	6	6	0	(0)	2	(1)	(0)	(0)
Gas Distribution	5	3	(2)	(0)	0	(2)	(0)	0
Safety and Technical Training	1	0	(0)	(0)	(0)	(0)	(0)	(0)
Environmental	0	1	1	(0)	0	0	(0)	1
Customer Services	10	8	(2)	(1)	0	(1)	(0)	(0)
Chief Operating Officer Total	43	35	(8)	(3)	2	(7)	(2)	2
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)
Information Technology	6	5	(1)	0	(0)	(0)	(0)	(1)
Treasurer	2	2	(0)	(0)	(0)	0	0	0
State Regulation and Rates	0	0	(0)	(0)	0	0	(0)	0
Other	0	0	(0)	(0)	0	(0)	0	0
Chief Financial Officer Total	9	8	(1)	(0)	(0)	(0)	(0)	(0)
General Counsel	2	2	(0)	(0)	0	0	0	(0)
Human Resources	1	0	(0)	(0)	0	(0)	0	(0)
Corporate	(11)	8	19	7	0	11	0	1
Communication	1	0	(1)	(0)	(0)	(0)	(0)	(0)
Utility Total	45	54	9	4	2	3	(2)	2
Nonutility	3	2	(1)	(1)	(0)	(0)	0	(0)
O&M Total MTD	48	56	8	3	2	3	(2)	2

	YTD			Labor & Burdens	Supplemental Contractors	Other Outside Services	Materials	Other
	Actual	Budget	Total Variance					
Generation	212	216	4	(0)	1	3	(1)	2
Project Engineering	0	0	0	(0)	(0)	0	0	0
Transmission	39	38	(1)	(0)	2	(2)	(1)	(0)
Energy Supply and Analysis	13	13	0	0	0	0	(0)	(0)
Electric Distribution	92	75	(17)	(3)	(3)	(9)	0	(3)
Gas Distribution	46	39	(7)	0	(5)	(1)	(0)	(1)
Safety and Technical Training	6	6	0	0	(0)	0	(0)	(0)
Environmental	6	8	2	(0)	0	0	0	2
Customer Services	102	97	(4)	(1)	1	(0)	0	(4)
Chief Operating Officer Total	516	493	(23)	(4)	(5)	(10)	(2)	(4)
Audit Services	2	2	0	0	0	(0)	0	0
Controller	9	9	0	0	0	(0)	(0)	0
Supply Chain	4	4	0	0	(0)	(0)	(0)	0
Information Technology	57	58	1	2	(1)	0	0	(0)
Treasurer	23	23	0	(0)	(0)	0	0	1
State Regulation and Rates	5	5	0	0	0	0	(0)	0
Other	2	2	0	0	0	(1)	0	1
Chief Financial Officer Total	101	103	3	3	(1)	(1)	(0)	2
General Counsel	17	18	1	0	0	(1)	0	2
Human Resources	7	7	0	0	(0)	(0)	0	0
Corporate	71	95	25	12	0	11	(0)	1
Communication	7	7	(0)	0	0	(1)	0	0
Utility Total	719	723	4	12	(6)	(2)	(2)	1
Nonutility	31	29	(2)	(1)	(0)	(1)	0	0
O&M Total YTD	750	752	2	11	(6)	(3)	(2)	1

Note: Schedules may not sum due to rounding.

Financing Activities
December 2018

(\$ Millions)

Balance Sheet	YTD		
	Actual	Budget	Variance
PCB			
Beg Bal	\$ 890.0	\$ 890.0	\$ 0.0
End Bal	881.1	890.0	8.9
Ave Bal	\$ 885.9	\$ 890.0	\$ 4.12
Interest Exp	\$ 15.9	\$ 18.3	\$ 2.4
Rate	1.77%	2.03%	0.26%
FMB/Sr Nts/Loan with PPL			
Beg Bal	\$ 4,310.0	\$ 4,310.0	\$ 0.0
End Bal	4,660.0	4,643.2	(16.8)
Ave Bal	\$ 4,556.2	\$ 4,488.9	\$ (67.26)
Interest Exp	\$ 194.3	\$ 191.9	\$ (2.4)
Rate	4.21%	4.22%	0.01%
Short-term Debt			
Beg Bal	\$ 468.9	\$ 468.9	\$ 0.0
End Bal	627.0	722.7	95.7
Ave Bal ⁽¹⁾	\$ 387.9	\$ 563.2	\$ 175.4
Interest Exp	\$ 10.9	\$ 19.5	\$ 8.6
Rate	2.76%	3.41%	0.65%
Unamortized Debt Expense Bonds			
Beg Bal	\$ (41.6)	\$ (41.6)	\$ 0.0
End Bal	(38.4)	(38.3)	0.1
Ave Bal	\$ (40.1)	\$ (40.2)	\$ (0.1)
Total End Bal	\$ 6,129.7	\$ 6,217.6	\$ 88.0
Total Average Bal	\$ 5,789.8	\$ 5,901.9	\$ 112.1
Total Expense Excl I/C ⁽²⁾	\$ 231.6	\$ 240.8	\$ 9.2
Rate	3.92%	4.00%	0.08%

⁽¹⁾ Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

⁽²⁾ 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	Money Pool Loans
	Capacity	Borrowed ⁽³⁾			
LKE	\$ 375	\$ 113		\$ 262	
LG&E	700	479		221	\$ 0
KU	598	235	\$ 198	165	0
TOTAL	\$ 1,673	\$ 827	\$ 198	\$ 648	\$ 0

⁽³⁾ LG&E borrowed amount includes commercial paper issuances and \$200M Term Loan. KU borrowed amount represent commercial paper issuances.

Credit Metrics ⁽¹⁾ Moody's	LKE 2018		LG&E 2018		KU 2018	
	Actual YTD	Budget YTD	Actual YTD	Budget YTD	Actual YTD	Budget YTD
CFO pre-WC / Debt	15%	13%	22%	21%	21%	19%
CFO pre-WC + Interest / Interest	4.8	4.5	7.1	6.5	6.5	5.9
CFO pre-WC - Dividends / Debt	10%	9%	15%	14%	12%	11%
Debt to Capitalization	53%	53%	39%	39%	38%	37%

Credit Metrics Moody's	LKE 2018 BP		LG&E 2018 BP		KU 2018 BP	
	2019	2020	2019	2020	2019	2020
CFO pre-WC / Debt	14%	14%	19%	19%	19%	20%
CFO pre-WC + Interest / Interest	4.4	4.4	5.8	5.6	5.7	5.7
CFO pre-WC - Dividends / Debt	10%	10%	11%	10%	10%	11%
Debt to Capitalization	53%	52%	38%	38%	38%	38%

⁽¹⁾ Actuals represent a trailing 12 months.

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

Moody's Thresholds	Sub-Factor Weighting	A	Baa	Ba
CFO pre-WC / Debt	15.0%	22% - 30%	13% - 22%	5% - 13%
CFO pre-WC + Interest / Interest	7.5%	4.5x - 6x	3x - 4.5x	2x - 3x
CFO pre-WC - Dividends / Debt	10.0%	17% - 25%	9% - 17%	0% - 9%
Debt / Capitalization	7.5%	35% - 45%	45% - 55%	55% - 65%

As of December 31, 2018	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.

Case Nos. 2018-00294 and 2018-00295

Attachment to Filing Requirement 807 KAR 5:001 Sec. 16(7)(o)

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Arbough

Balance Sheet - LKE Consolidated

December 2018

(\$ Millions)

	12/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 24	\$ 14	\$ 10	Increase primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	415	473	(58)	Due primarily to differences in actual vs. budget accounts receivable lag factors.
Inventory	248	251	(2)	
Deferred Income Taxes	0	0	0	
Regulatory Assets Current	25	3	22	Higher than budgeted gas supply cost regulatory asset due to increased gas cost.
Prepayments and other current assets	81	72	9	
Total Current Assets	793	813	(19)	
Property, Plant, and Equipment	12,614	12,722	(108)	
Intangible Assets	78	78	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	849	786	63	
Goodwill	997	997	0	
Other Long-term Assets	81	78	2	
Total Assets	\$ 15,412	\$ 15,474	\$ (63)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 376	\$ 328	\$ 48	Primarily due to timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	61	58	3	
Derivative Liability	4	4	(0)	
Accrued Taxes	63	68	(5)	
Regulatory Liabilities Current	48	126	(78)	Primarily due to the refund timing for KPSC TCJA.
Other Current Liabilities	240	280	(40)	Primarily due to decrease in customer advances and credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized and settlement of WKE indemnification.
Total Current Liabilities	791	864	(73)	
Debt - Affiliated Company	763	858	(95)	Lower notes payable to PPL primarily due to lower capital contributions to the Utilities.
Debt ⁽¹⁾	5,367	5,359	8	
Total Debt	6,130	6,218	(88)	
Deferred Tax Liabilities	956	936	20	
Investment Tax Credit	126	126	(0)	
Accum Provision for Pension & Related Benefits	282	247	35	Increase primarily due to negative return on investments versus budget, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	214	222	(9)	
Regulatory Liabilities Non Current	2,039	1,991	48	
Derivative Liability	16	18	(2)	
Other Liabilities	136	145	(9)	
Total Deferred Credits and Other Liabilities	3,768	3,685	83	
Equity	4,722	4,708	15	
Total Liabilities and Equity	\$ 15,412	\$ 15,474	\$ (63)	

⁽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 2018

(\$ Millions)

	12/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 10	\$ 5	\$ 5	
Accounts Receivable (Trade)	192	217	(26)	Due primarily to differences in actual vs. budget accounts receivable lag factors.
Inventory	127	125	2	
Regulatory Assets Current	21	6	15	Higher than budgeted gas supply cost regulatory asset due to increased gas cost.
Prepayments and other current assets	61	51	10	Primarily due to higher refined coal accounts receivable versus the budget which assumed a static balance as of December 2017 when the budget was finalized.
Total Current Assets	410	404	6	
Property, Plant, and Equipment	5,591	5,656	(65)	
Intangible Assets	6	6	(0)	
Other Property and Investments	1	1	0	
Regulatory Assets Non Current	429	400	30	
Goodwill	0	0	0	
Other Long-term Assets	15	15	1	
Total Assets	\$ 6,453	\$ 6,481	\$ (29)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 198	\$ 195	\$ 2	
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	29	27	2	
Derivative Liability	4	4	(0)	
Accrued Taxes	26	26	(0)	
Regulatory Liabilities Current	17	57	(40)	Primarily due to the refund timing for KPSC TCJA.
Other Current Liabilities	74	88	(15)	Primarily due to a decrease in customer advances and credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized.
Total Current Liabilities	348	399	(51)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,088	2,067	21	
Total Debt	2,088	2,067	21	
Deferred Tax Liabilities	628	616	12	
Investment Tax Credit	34	34	0	
Accum Provision for Pension & Related Benefits	11	(23)	34	Increase primarily due to negative return on investments versus budget, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	80	88	(9)	
Regulatory Liabilities Non Current	874	857	17	
Derivative Liability	16	18	(2)	
Other Liabilities	77	83	(6)	
Total Deferred Credits and Other Liabilities	1,719	1,672	47	
Equity	2,298	2,343	(45)	
Total Liabilities and Equity	\$ 6,453	\$ 6,481	\$ (29)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

(\$ Millions)

	12/31/2018	YTD Budget	Variance	Comments
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 14	\$ 5	\$ 9	Due primarily to differences in actual vs. budget accounts receivable lag factors.
Accounts Receivable (Trade)	224	255	(32)	
Inventory	122	126	(4)	
Regulatory Assets Current	4	(2)	6	
Prepayments and other current assets	44	47	(4)	
Total Current Assets	407	431	(24)	
Property, Plant, and Equipment	7,010	7,057	(47)	
Intangible Assets	12	13	(0)	
Other Property and Investments	0	0	0	
Regulatory Assets Non Current	416	389	27	
Goodwill	0	0	0	
Other Long-term Assets	62	62	0	
Total Assets	\$ 7,908	\$ 7,952	\$ (44)	
Liabilities and Equity:				
Current Liabilities:				
Accounts Payable (Trade)	\$ 224	\$ 183	\$ 41	Primarily due to timing of actuals.
Dividends Payable to Affiliated Companies	0	0	0	
Customer Deposits	32	31	1	
Derivative Liability	0	0	0	
Accrued Taxes	24	19	5	
Regulatory Liabilities Current	31	69	(38)	Primarily due to the refund timing for KPSC TCJA.
Other Current Liabilities	110	123	(12)	Primarily due to a decrease in credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized.
Total Current Liabilities	421	424	(3)	
Debt - Affiliated Company	0	0	0	
Debt ⁽¹⁾	2,554	2,568	(14)	
Total Debt	2,554	2,568	(14)	
Deferred Tax Liabilities	735	726	9	Increase primarily due to negative return on investments versus budget, partially offset by an increase in the discount rate and other actuarial updates.
Investment Tax Credit	92	92	(0)	
Accum Provision for Pension & Related Benefits	1	(16)	17	
Asset Retirement Obligation	134	134	0	
Regulatory Liabilities Non Current	1,100	1,075	25	
Derivative Liability	0	0	0	
Other Liabilities	35	37	(2)	
Total Deferred Credits and Other Liabilities	2,097	2,048	49	
Equity	2,835	2,912	(77)	
Total Liabilities and Equity	\$ 7,908	\$ 7,952	\$ (44)	

⁽¹⁾ Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**KU and LG&E Combined
Reconciliation of Allowed Return to
12 months ended Dec-2018 Regulatory Return
and ROE from Ongoing Operations**

Allowed Return ⁽¹⁾	9.70%	
Adjustments (net tax):		
Change in margins	0.31%	Favorable temperatures, partially offset by a decrease in demand and energy billing determinants since the last KPSC base rate case. Lower pension expense and lower boiler plant operations and maintenance expenses.
Change in operations and maintenance expense	0.49%	
Other	0.01%	
	0.80%	
Actual Regulated ROE	10.50%	

⁽¹⁾ Based on the most recent base rate filings for a test year ending 6/30/18 for the KPSC and a test year ending 12/31/16 (with adjustments for year ending 12/31/2018) for VA and FERC Formula Rate Filing 12/31/17.
The KPSC authorized ROE is 9.7% after 7/1/17.

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294

BASE PERIOD : FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECASTED PERIOD: FOR THE 12 MONTHS ENDED APRIL 30, 2020

SCHEDULE

DESCRIPTION

A OVERALL FINANCIAL SUMMARY

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

OVERALL FINANCIAL SUMMARY

BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECAST PERIOD FOR THE 12 MONTHS ENDED APRIL 30, 2020

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

SCHEDULE A

PAGE 1 OF 1

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	3,676,428,488	4,078,343,555
2	ADJUSTED OPERATING INCOME	C-1	276,150,678	227,679,608
3	EARNED RATE OF RETURN (2 / 1)		7.51%	5.58%
4	REQUIRED RATE OF RETURN	J	7.43%	7.58%
5	REQUIRED OPERATING INCOME (1 x 4)		273,160,707	309,054,858
6	OPERATING INCOME DEFICIENCY (5 - 2)		(2,989,971)	81,375,249
7	GROSS REVENUE CONVERSION FACTOR	H	1.339356	1.339356
8	REVENUE DEFICIENCY (6 x 7)		(4,004,636)	108,990,438
9	REVENUE INCREASE REQUESTED	C-1		112,459,859
10	ADJUSTED OPERATING REVENUES	C-1		1,447,651,427
11	REVENUE REQUIREMENTS (9 + 10)			<u>1,560,111,287</u>

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294

BASE PERIOD: FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECASTED TEST PERIOD: FOR THE 12 MONTHS ENDED APRIL 30, 2020

<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. 2018-00294
JURISDICTIONAL RATE BASE SUMMARY
AS OF DECEMBER 31, 2018
AS OF APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-1

TYPE OF FILING: ORIGINAL UPDATED REVISED

PAGE 1 OF 1

WORKPAPER REFERENCE NO(S): SEE BELOW

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	7,148,560,605	7,719,111,018
2	Property Held for Future Use	B-2.6	1,297,833	1,320,781
3	Accumulated Depreciation and Amortization	B-3	<u>(2,812,445,588)</u>	<u>(2,974,074,491)</u>
4	Net Plant in Service (Lines 1+2+3)		4,337,412,849	4,746,357,308
5	Construction Work in Progress	B-4	<u>181,848,799</u>	<u>134,479,318</u>
6	Net Plant (Lines 4+5)		4,519,261,649	4,880,836,626
7	Cash Working Capital Allowance	B-5	55,309,187	94,639,526
8	Other Working Capital Allowances	B-5	121,693,668	130,931,109
9	Customer Advances for Construction	B-6	(1,321,591)	(951,647)
10	Deferred Income Taxes	B-6	(944,046,275)	(976,331,381)
11	Investment Tax Credits	B-6	(79,895,707)	(84,144,327)
12	Other Items and Pro Forma Adjustments	B-6 and B-1.1	<u>-</u>	<u>518,537</u>
13	Rate Base (Lines 6 through 12)		<u><u>3,671,000,931</u></u>	<u><u>4,045,498,444</u></u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF DECEMBER 31, 2018

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	118,942,548	89.087%	105,962,369	-	105,962,369
2	STEAM PRODUCTION	5,213,806,146	87.151%	4,543,889,826	(1,352,365,766)	3,191,524,061
3	HYDO PRODUCTION	43,949,866	87.625%	38,510,868	(567,289)	37,943,579
4	OTHER PRODUCTION	1,034,404,943	87.425%	904,329,828	(357,519)	903,972,309
5	TRANSMISSION	1,038,305,646	89.786%	932,250,249	(525,443)	931,724,806
6	DISTRIBUTION	1,898,260,923	94.762%	1,798,824,084	(4,604,896)	1,794,219,187
7	GENERAL	<u>210,039,677</u>	90.856%	<u>190,833,136</u>	<u>(7,618,843)</u>	<u>183,214,292</u>
8	TOTAL ELECTRIC	<u><u>9,557,709,748</u></u>		<u><u>8,514,600,361</u></u>	<u><u>(1,366,039,756)</u></u>	<u><u>7,148,560,605</u></u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2018

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 TOTAL COMPANY \$	JURIS. PERCENT	JURISDICTIONAL TOTAL \$	ADJUSTMENTS \$	ADJUSTED JURISDICTION \$
1		<u>Electric Intangible Plant</u>					
2	301	Organization	44,456	89.082%	39,602	-	39,602
3	302	Franchises and Consents	55,919	100.000%	55,919	-	55,919
4	303	Misc Intangible Plant	118,842,174	89.082%	105,866,849	-	105,866,849
5		Total Intangible Plant	118,942,548		105,962,369	-	105,962,369
6		<u>Electric Steam Production</u>					
7	310	Land and Land Rights	24,754,828	87.844%	21,745,733	(11,898,137)	9,847,596
8	311	Structures and Improvements	356,744,720	86.965%	310,242,371	(21,855,393)	288,386,978
9	312	Boiler Plant Equipment	3,996,765,264	87.177%	3,484,269,423	(1,109,231,034)	2,375,038,389
9	313	Engines and engine-driven generators	-		-	-	-
10	314	Turbogenerator Units	342,643,685	86.811%	297,453,720	-	297,453,720
11	315	Accessory Electric Equipment	256,953,416	86.840%	223,139,105	(34,392,184)	188,746,921
12	316	Misc Power Plant Equip	37,295,172	87.243%	32,537,373	(486,917)	32,050,457
13	317	ARO Cost Steam Production	198,649,060	87.844%	174,502,101	(174,502,101)	-
14		Total Electric Steam Production	5,213,806,146		4,543,889,826	(1,352,365,766)	3,191,524,061
15		<u>Electric Hydro Production</u>					
16	330	Land and Land Rights	855,636	87.844%	751,629	-	751,629
17	331	Structures and Improvements	4,616,561	87.771%	4,052,011	-	4,052,011
18	332	Reservoirs, Dams, and Water	21,885,646	87.672%	19,187,586	-	19,187,586
19	333	Water Wheels, Turbines, Generators	14,046,742	87.479%	12,287,889	-	12,287,889
20	334	Accessory Electric Equipment	1,335,609	87.589%	1,169,845	-	1,169,845
21	335	Misc Power Plant Equipment	329,374	87.626%	288,616	-	288,616
22	336	Roads, Railroads, and Bridges	234,509	87.844%	206,003	-	206,003
23	337	ARO Cost Hydro Production	645,788	87.844%	567,289	(567,289)	-
24		Total Electric Hydro Production	43,949,866		38,510,868	(567,289)	37,943,579
25		<u>Electric Other Production</u>					
26	340	Land and Land Rights	533,901	87.844%	469,002	-	469,002
27	341	Structures and Improvements	87,457,196	87.284%	76,336,223	-	76,336,223
28	342	Fuel Holders, Producers, Accessories	62,631,347	87.675%	54,911,735	-	54,911,735
29	343	Prime Movers	659,401,590	87.425%	576,478,831	-	576,478,831

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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 TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$		\$	\$	\$
30	344	Generators	135,898,034	87.383%	118,751,547	-	118,751,547
31	345	Accessory Electric Equipment	78,893,445	87.445%	68,988,714	-	68,988,714
32	346	Misc Power Plant Equipment	9,182,438	87.518%	8,036,257	-	8,036,257
33	347	ARO Cost Other Production	406,991	87.844%	357,519	(357,519)	-
34		Total Electric Other Production	1,034,404,943		904,329,828	(357,519)	903,972,309
35		Electric Transmission					
36	350	Land and Land Rights	31,914,555	89.369%	28,521,874	-	28,521,874
37	352	Structures and Improvements	32,646,136	90.160%	29,433,848	-	29,433,848
38	353	Station Equipment	340,074,982	88.629%	301,406,644	-	301,406,644
39	354	Towers and Fixtures	78,033,094	91.726%	71,576,288	-	71,576,288
40	355	Poles and Fixtures	353,795,848	91.743%	324,584,614	-	324,584,614
41	356	OH Conductors and Devices	199,539,682	87.467%	174,531,669	-	174,531,669
42	357	Underground Conduit	448,760	95.292%	427,631	-	427,631
43	358	UG Conductors and Devices	1,302,899	95.344%	1,242,239	-	1,242,239
44	359	ARO Cost Elec Transmission	549,688	95.589%	525,443	(525,443)	-
45		Total Electric Transmission	1,038,305,646		932,250,249	(525,443)	931,724,806
46		Electric Distribution					
47	360	Land and Land Rights	8,139,650	97.451%	7,932,203	-	7,932,203
48	361	Structures and Improvements	14,383,240	93.402%	13,434,261	-	13,434,261
49	362	Station Equipment	224,956,161	94.731%	213,103,703	-	213,103,703
50	364	Poles, Towers, and Fixtures	406,680,643	92.631%	376,711,399	(24,576)	376,686,823
51	365	OH Conductors and Devices	395,150,240	93.177%	368,190,347	(21,989)	368,168,358
52	366	Underground Conduit	2,394,631	100.000%	2,394,631	(171,003)	2,223,629
53	367	UG Conductors and Devices	201,606,598	97.785%	197,140,455	(1,296,738)	195,843,717
54	368	Line Transformers	320,425,401	96.542%	309,344,070	-	309,344,070
55	369	Services	122,692,943	95.056%	116,626,640	-	116,626,640
56	370	Meters	77,180,390	94.631%	73,036,303	(2,434,341)	70,601,961
57	371	Install on Customer Premise	6,164	100.000%	6,164	-	6,164
58	373	Street Lighting / Signal Systems	123,988,612	96.983%	120,247,660	-	120,247,660
59	374	ARO Cost Elec Distribution	656,249	100.000%	656,249	(656,249)	-
60		Total Electric Distribution	1,898,260,923		1,798,824,084	(4,604,896)	1,794,219,187

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2018

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		Electric General Plant					
62	389	Land and Land Rights	3,432,562	90.512%	3,106,894	-	3,106,894
63	390	Structures and Improvements	68,085,250	90.512%	61,625,595	-	61,625,595
64	391	Office Furniture and Equipment	45,971,771	90.512%	41,610,154	-	41,610,154
65	392	Transportation Equipment	7,591,060	90.512%	6,870,850	(17,563)	6,853,288
66	393	Stores Equipment	890,310	90.512%	805,841	-	805,841
67	394	Tools, Shop, and Garage Equipment	13,940,408	90.512%	12,617,798	-	12,617,798
68	395	Laboratory Equipment	-		-	-	-
69	396	Power Operated Equipment	4,470,613	90.512%	4,046,460	-	4,046,460
70	397	Communication Equipment	65,657,704	91.611%	60,149,544	(7,601,281)	52,548,263
71	398	Miscellaneous Equipment	-	90.512%	-	-	-
72		Total Electric General Plant	210,039,677		190,833,136	(7,618,843)	183,214,292
73		TOTAL ELECTRIC PLANT IN SERVICE	<u>9,557,709,748</u>		<u>8,514,600,361</u>	<u>(1,366,039,756)</u>	<u>7,148,560,605</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
AS OF DECEMBER 31, 2018

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	(13,544,558)	87.844%	(11,898,137)		ECR amounts excluded from rate base
2	311	Structures and Improvements	(25,131,306)	86.965%	(21,855,393)		ECR amounts excluded from rate base
3	312	Boiler Plant Equipment	(1,272,386,125)	87.177%	(1,109,231,034)		ECR amounts excluded from rate base
4	315	Accessory Electric Equipment	(39,603,946)	86.840%	(34,392,184)		ECR amounts excluded from rate base
5	316	Misc Power Plant Equip	(558,116)	87.243%	(486,917)		ECR amounts excluded from rate base
6	317	ARO Cost Steam Production	(198,649,060)	87.844%	(174,502,101)		ARO amounts excluded from rate base
7	337	ARO Cost Hydro Production	(645,788)	87.844%	(567,289)		ARO amounts excluded from rate base
8	347	ARO Cost Other Production	(406,991)	87.844%	(357,519)		ARO amounts excluded from rate base
9	359	ARO Cost Elec Transmission	(549,688)	95.589%	(525,443)		ARO amounts excluded from rate base
10	364	Poles, Towers, and Fixtures	(26,531)	92.631%	(24,576)		ECR amounts excluded from rate base
11	365	OH Conductors and Devices	(23,599)	93.177%	(21,989)		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)	97.785%	(1,296,738)		ECR amounts excluded from rate base
14	370	Meters	(2,434,341)	100.000%	(2,434,341)		DSM amounts excluded from rate base
15	374	ARO Cost Elec Distribution	(656,249)	100.000%	(656,249)		ARO amounts excluded from rate base
16	392	Transportation Equipment	(19,404)	90.512%	(17,563)		ECR amounts excluded from rate base
17	397	Communication Equipment	(7,601,281)	100.000%	(7,601,281)		DSM amounts excluded from rate base
18		TOTAL ADJUSTMENTS	<u>(1,563,734,102)</u>		<u>(1,366,039,756)</u>		

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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

SCHEDULE B-2.3
PAGE 1 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD	ADDITIONS	RETIREMENTS	TRANSFERS	BASE PERIOD
			BEGINNING BALANCE				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	118,588,360	7,379,343	(7,125,529)	-	118,842,174
5		Total Intangible Plant	118,688,734	7,379,343	(7,125,529)	-	118,942,548
6		<u>Electric Steam Production</u>					
7	310	Land and Land Rights	24,171,386	583,442	-	-	24,754,828
8	311	Structures and Improvements	351,757,111	4,044,642	(1,123,332)	2,066,298	356,744,720
9	312	Boiler Plant Equipment	3,968,896,485	46,571,025	(17,996,120)	(706,126)	3,996,765,264
9	313	Engines and engine-driven generators	-	-	-	-	-
10	314	Turbogenerator Units	337,507,666	8,298,680	(2,998,173)	(164,486)	342,643,685
11	315	Accessory Electric Equipment	251,867,428	5,908,772	(152,367)	(670,417)	256,953,416
12	316	Misc Power Plant Equip	36,601,586	1,663,909	(465,502)	(504,820)	37,295,172
13	317	ARO Cost Steam Production	202,001,564	-	(308,556)	(3,043,947)	198,649,060
14		Total Electric Steam Production	5,172,803,225	67,070,470	(23,044,051)	(3,023,498)	5,213,806,146
15		<u>Electric Hydro Production</u>					
16	330	Land and Land Rights	855,636	-	-	-	855,636
17	331	Structures and Improvements	2,999,391	1,617,171	-	-	4,616,561
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	1,381,871	-	(46,262)	-	1,335,609
21	335	Misc Power Plant Equipment	329,374	-	-	-	329,374
22	336	Roads, Railroads, and Bridges	234,509	-	-	-	234,509
23	337	ARO Cost Hydro Production	645,788	-	-	-	645,788
24		Total Electric Hydro Production	42,378,957	1,617,171	(46,262)	-	43,949,866
25		<u>Electric Other Production</u>					
26	340	Land and Land Rights	473,579	60,323	-	-	533,901
27	341	Structures and Improvements	85,707,410	1,750,230	(444)	-	87,457,196
28	342	Fuel Holders, Producers, Accessories	62,586,649	44,699	-	-	62,631,347
29	343	Prime Movers	657,987,558	10,754,279	(9,340,246)	-	659,401,590

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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

SCHEDULE B-2.3
PAGE 2 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD				BASE PERIOD
			BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	ENDING BALANCE
			\$	\$	\$	\$	\$
30	344	Generators	131,571,205	4,509,567	(182,738)	-	135,898,034
31	345	Accessory Electric Equipment	78,605,670	287,776	-	-	78,893,445
32	346	Misc Power Plant Equipment	9,077,176	105,262	-	-	9,182,438
33	347	ARO Cost Other Production	406,991	-	-	-	406,991
34		Total Electric Other Production	1,026,416,236	17,512,135	(9,523,428)	-	1,034,404,943
35		<u>Electric Transmission</u>					
36	350	Land and Land Rights	31,890,110	24,445	-	-	31,914,555
37	352	Structures and Improvements	29,506,791	3,173,661	(34,316)	-	32,646,136
38	353	Station Equipment	287,839,872	56,863,257	(4,652,784)	24,639	340,074,982
39	354	Towers and Fixtures	78,033,094	-	-	-	78,033,094
40	355	Poles and Fixtures	307,006,357	50,297,400	(3,507,909)	-	353,795,848
41	356	OH Conductors and Devices	188,110,717	13,419,353	(1,990,388)	-	199,539,682
42	357	Underground Conduit	448,760	-	-	-	448,760
43	358	UG Conductors and Devices	1,299,094	3,805	-	-	1,302,899
44	359	ARO Cost Elec Transmission	556,858	-	(7,169)	-	549,688
45		Total Electric Transmission	924,691,653	123,781,920	(10,192,566)	24,639	1,038,305,646
46		<u>Electric Distribution</u>					
47	360	Land and Land Rights	7,723,996	415,655	-	-	8,139,650
48	361	Structures and Improvements	14,411,934	32,899	(62,452)	860	14,383,240
49	362	Station Equipment	198,035,492	28,934,657	(1,989,350)	(24,639)	224,956,161
50	364	Poles, Towers, and Fixtures	389,091,937	19,135,889	(1,547,182)	-	406,680,643
51	365	OH Conductors and Devices	369,561,367	33,158,467	(7,569,595)	-	395,150,240
52	366	Underground Conduit	2,390,171	6,180	(1,720)	-	2,394,631
53	367	UG Conductors and Devices	194,252,351	8,105,781	(751,534)	-	201,606,598
54	368	Line Transformers	313,646,675	7,348,323	(569,596)	-	320,425,401
55	369	Services	114,368,256	8,484,535	(159,848)	-	122,692,943
56	370	Meters	78,827,769	2,490,839	(4,138,217)	-	77,180,390
57	371	Install on Customer Premise	6,164	2,173	-	(2,173)	6,164
58	373	Street Lighting / Signal Systems	120,862,948	5,150,019	(2,026,528)	2,173	123,988,612
59	374	ARO Cost Elec Distribution	670,190	-	(13,941)	-	656,249
60		Total Electric Distribution	1,803,849,251	113,265,414	(18,829,964)	(23,778)	1,898,260,923

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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	ADDITIONS	RETIREMENTS	TRANSFERS	BASE PERIOD
			BEGINNING BALANCE				ENDING BALANCE
			\$	\$	\$	\$	\$
61		<u>Electric General Plant</u>					
62	389	Land and Land Rights	3,397,712	34,850	-	-	3,432,562
63	390	Structures and Improvements	63,009,328	5,663,133	(586,351)	(860)	68,085,250
64	391	Office Furniture and Equipment	38,262,138	12,315,135	(4,605,503)	-	45,971,771
65	392	Transportation Equipment	7,247,023	610,257	(263,005)	(3,215)	7,591,060
66	393	Stores Equipment	910,971	-	(20,661)	-	890,310
67	394	Tools, Shop, and Garage Equipment	13,303,567	715,184	(61,109)	(17,234)	13,940,408
68	395	Laboratory Equipment	-	-	-	-	-
69	396	Power Operated Equipment	3,458,016	1,012,598	-	-	4,470,613
70	397	Communication Equipment	56,854,164	8,833,493	(29,953)	-	65,657,704
71	398	Miscellaneous Equipment	-	-	-	-	-
72		Total Electric General Plant	186,442,918	29,184,649	(5,566,581)	(21,309)	210,039,677
73		TOTAL ELECTRIC PLANT IN SERVICE	9,275,270,974	359,811,103	(74,328,381)	(3,043,947)	9,557,709,748

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PROPERTY MERGED OR ACQUIRED
AS OF DECEMBER 31, 2018

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. 2018-00294
LEASED PROPERTY
AS OF DECEMBER 31, 2018

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. 2018-00294
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF DECEMBER 31, 2018

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED X 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
			\$	\$		\$	\$		\$	
1	Land located at Green River CC GT intended for Generation	1-Jul-2014	309,541	-	87.844%	271,914	-		-	
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%	-	-		-	
4	Land and site prep located at Kevill Service Station	22-Dec-2015	131,956	-	90.512%	119,437	-		-	
5	Land and site prep located at Lonesome Pine Substation	1-Feb-2017	240,853	-	0.000%	-	-		-	
6	Land and site prep located at Polo Club Substation	28-Feb-2010	792,599	-	100.000%	792,599	-		-	
7	TOTAL PLANT HELD FOR FUTURE USE		<u>1,912,920</u>	-	67.846%	<u>1,297,833</u>	-		-	

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)
AS OF DECEMBER 31, 2018

DATA: __X__ BASE PERIOD __ __ FORECASTED PERIOD
TYPE OF FILING: __ __ ORIGINAL __X__ UPDATED __X__ 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	NET ORIGINAL COST	PERIOD REVENUE AND EXPENSE				
							AMOUNT	ACCT NO.	DESCRIPTION	REASONS FOR EXCLUSION	
				\$	\$	\$	\$				
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	Williamsburg	31-Dec-1941	850	-	850					Non-utility property not included in rate base
15	121	Retired Great Crossing substation 0672	30-Sep-1949	146	-	146					Non-utility property not included in rate base
16	121	Retired London Substation 0533	30-Sep-1941	3,591	-	3,591					Non-utility property not included in rate base
17	121	Richmond Substation	31-Aug-1990	193	-	193					Non-utility property not included in rate base
18	121	Richmond Valley View Plant Site	31-Jan-1999	3,403	-	3,403					Non-utility property not included in rate base
19	121	Russell Springs	31-Jul-1958	160	-	160					Non-utility property not included in rate base
20	121	Salt Lick	31-Dec-1941	73	-	73					Non-utility property not included in rate base
21	121	Stamping Ground	31-Dec-1941	60	-	60					Non-utility property not included in rate base
22	121	Winchester	31-Oct-1985	28,294	-	28,294					Non-utility property not included in rate base
23	121	Claiborne County - Tennessee	31-Dec-2018	434,123	-	434,123					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		612,836	-	612,836					Non-utility property not included in rate base

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2018

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	ADJUSTED JURISDICTION
			\$	\$		\$	\$
1		<u>Electric Intangible Plant</u>					
2	301	Organization	44,456	-	89.082%	-	-
3	302	Franchises and Consents	55,919	(71,375)	100.000%	(71,375)	(71,375)
4	303	Misc Intangible Plant	118,842,174	(69,886,405)	89.082%	(62,256,127)	(62,256,127)
5		Total Intangible Plant	118,942,548	(69,957,781)		(62,327,503)	(62,327,503)
6		<u>Electric Steam Production</u>					
7	310	Land and Land Rights	24,754,828	-	86.714%	-	-
8	311	Structures and Improvements	356,744,720	(188,710,578)	86.714%	(163,638,319)	(162,651,990)
9	312	Boiler Plant Equipment	3,996,765,264	(1,269,549,379)	86.714%	(1,100,875,897)	(1,001,716,453)
9	313	Engines and engine-driven generators	-	-	86.714%	-	-
10	314	Turbogenerator Units	342,643,685	(168,352,757)	86.714%	(145,985,257)	(145,985,257)
11	315	Accessory Electric Equipment	256,953,416	(113,202,654)	86.714%	(98,162,447)	(97,288,664)
12	316	Misc Power Plant Equip	37,295,172	(16,231,483)	86.714%	(14,074,953)	(14,045,118)
13	317	ARO Cost Steam Production	198,649,060	(132,668,340)	86.714%	(115,041,904)	115,041,904
14		Total Electric Steam Production	5,213,806,146	(1,888,715,190)		(1,637,778,777)	216,091,295 (1,421,687,482)
15		<u>Electric Hydro Production</u>					
16	330	Land and Land Rights	855,636	(912,333)	87.707%	(800,180)	(800,180)
17	331	Structures and Improvements	4,616,561	(373,182)	87.707%	(327,307)	(327,307)
18	332	Reservoirs, Dams, and Water	21,885,646	(9,887,589)	87.707%	(8,672,108)	(8,672,108)
19	333	Water Wheels, Turbines, Generators	14,046,742	(2,389,412)	87.707%	(2,095,682)	(2,095,682)
20	334	Accessory Electric Equipment	1,335,609	(324,036)	87.707%	(284,202)	(284,202)
21	335	Misc Power Plant Equipment	329,374	(155,938)	87.707%	(136,769)	(136,769)
22	336	Roads, Railroads, and Bridges	234,509	(95,824)	87.707%	(84,044)	(84,044)
23	337	ARO Cost Hydro Production	645,788	(55,478)	87.707%	(48,658)	48,658
24		Total Electric Hydro Production	43,949,866	(14,193,793)		(12,448,950)	48,658 (12,400,292)
25		<u>Electric Other Production</u>					
26	340	Land and Land Rights	533,901	(125,875)	87.422%	(110,042)	(110,042)
27	341	Structures and Improvements	87,457,196	(26,553,086)	87.422%	(23,213,109)	(23,213,109)
28	342	Fuel Holders, Producers, Accessories	62,631,347	(21,394,229)	87.422%	(18,703,158)	(18,703,158)
29	343	Prime Movers	659,401,590	(220,500,682)	87.422%	(192,765,029)	(192,765,029)

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
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WORKPAPER REFERENCE NO(S):

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

		RESERVE BALANCES						
LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$	\$		\$	\$	\$
30	344	Generators	135,898,034	(45,612,977)	87.422%	(39,875,554)	-	(39,875,554)
31	345	Accessory Electric Equipment	78,893,445	(28,635,037)	87.422%	(25,033,182)	-	(25,033,182)
32	346	Misc Power Plant Equipment	9,182,438	(3,746,392)	87.422%	(3,275,153)	-	(3,275,153)
33	347	ARO Cost Other Production	406,991	(73,527)	87.422%	(64,278)	64,278	-
34		Total Electric Other Production	1,034,404,943	(346,641,804)		(303,039,504)	64,278	(302,975,226)
35		<u>Electric Transmission</u>						
36	350	Land and Land Rights	31,914,555	(17,848,868)	87.072%	(15,541,377)	-	(15,541,377)
37	352	Structures and Improvements	32,646,136	(7,449,968)	87.072%	(6,486,841)	-	(6,486,841)
38	353	Station Equipment	340,074,982	(76,641,396)	87.072%	(66,733,246)	-	(66,733,246)
39	354	Towers and Fixtures	78,033,094	(52,470,304)	87.072%	(45,686,976)	-	(45,686,976)
40	355	Poles and Fixtures	353,795,848	(74,556,974)	87.072%	(64,918,296)	-	(64,918,296)
41	356	OH Conductors and Devices	199,539,682	(114,203,648)	87.072%	(99,439,474)	-	(99,439,474)
42	357	Underground Conduit	448,760	(256,369)	87.072%	(223,226)	-	(223,226)
43	358	UG Conductors and Devices	1,302,899	(958,198)	87.072%	(834,322)	-	(834,322)
44	359	ARO Cost Elec Transmission	549,688	(90,830)	87.072%	(79,087)	79,087	-
45		Total Electric Transmission	1,038,305,646	(344,476,555)		(299,942,846)	79,087	(299,863,759)
46		<u>Electric Distribution</u>						
47	360	Land and Land Rights	8,139,650	(1,479,932)	93.871%	(1,389,232)	-	(1,389,232)
48	361	Structures and Improvements	14,383,240	(2,749,956)	93.871%	(2,581,420)	-	(2,581,420)
49	362	Station Equipment	224,956,161	(53,094,049)	93.871%	(49,840,089)	-	(49,840,089)
50	364	Poles, Towers, and Fixtures	406,680,643	(171,523,530)	93.871%	(161,011,416)	2,618	(161,008,798)
51	365	OH Conductors and Devices	395,150,240	(116,349,397)	93.871%	(109,218,724)	2,819	(109,215,905)
52	366	Underground Conduit	2,394,631	(1,003,548)	100.000%	(1,003,548)	18,840	(984,708)
53	367	UG Conductors and Devices	201,606,598	(51,359,758)	93.871%	(48,212,086)	127,736	(48,084,350)
54	368	Line Transformers	320,425,401	(148,768,117)	93.871%	(139,650,607)	-	(139,650,607)
55	369	Services	122,692,943	(64,798,907)	93.871%	(60,827,594)	-	(60,827,594)
56	370	Meters	77,180,390	(37,845,985)	93.871%	(35,526,528)	165,536	(35,360,992)
57	371	Install on Customer Premise	6,164	41	93.871%	38	-	38
58	373	Street Lighting / Signal Systems	123,988,612	(43,270,606)	93.871%	(40,618,692)	-	(40,618,692)
59	374	ARO Cost Elec Distribution	656,249	(118,710)	100.000%	(118,710)	118,710	-
60		Total Electric Distribution	1,898,260,923	(692,362,453)		(649,998,609)	436,259	(649,562,350)

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
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			RESERVE BALANCES					
LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
			\$	\$		\$	\$	\$
61		Electric General Plant						
62	389	Land and Land Rights	3,432,562	-	90.856%	-	-	-
63	390	Structures and Improvements	68,085,250	(13,872,447)	90.856%	(12,603,916)	-	(12,603,916)
64	391	Office Furniture and Equipment	45,971,771	(21,392,296)	90.856%	(19,436,133)	-	(19,436,133)
65	392	Transportation Equipment	7,591,060	(4,165,229)	90.856%	(3,784,350)	17,629	(3,766,721)
66	393	Stores Equipment	890,310	(442,548)	90.856%	(402,080)	-	(402,080)
67	394	Tools, Shop, and Garage Equipment	13,940,408	(4,777,124)	90.856%	(4,340,293)	-	(4,340,293)
68	395	Laboratory Equipment	-	-	90.856%	-	-	-
69	396	Power Operated Equipment	4,470,613	(1,345,996)	90.856%	(1,222,915)	-	(1,222,915)
70	397	Communication Equipment	65,657,704	(26,979,043)	90.856%	(24,512,014)	2,655,094	(21,856,919)
71	398	Miscellaneous Equipment	-	-	90.856%	-	-	-
72		Total Electric General Plant	210,039,677	(72,974,684)		(66,301,701)	2,672,724	(63,628,977)
73		TOTAL ELECTRIC PLANT	<u>9,557,709,748</u>	<u>(3,429,322,259)</u>		<u>(3,031,837,890)</u>	<u>219,392,302</u>	<u>(2,812,445,588)</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2018

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

SCHEDULE B-3.1
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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY	JURISDICTIONAL	JURISDICTIONAL	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
			ADJUSTMENT	PERCENT	ADJUSTMENTS		
			\$		\$		
1	311	Structures and Improvements	1,137,452	86.714%	986,329		ECR amounts excluded from rate base
2	312	Boiler Plant Equipment	114,352,409	86.714%	99,159,444		ECR amounts excluded from rate base
3	315	Accessory Electric Equipment	1,007,662	86.714%	873,783		ECR amounts excluded from rate base
4	316	Accessory Electric Equipment	34,406	86.714%	29,835		ECR amounts excluded from rate base
5	317	ARO Cost Steam Production	132,668,340	86.714%	115,041,904		ARO amounts excluded from rate base
6	337	ARO Cost Hydro Production	55,478	87.707%	48,658		ARO amounts excluded from rate base
7	347	ARO Cost Other Production	73,527	87.422%	64,278		ARO amounts excluded from rate base
8	359	ARO Cost Elec Transmission	90,830	87.072%	79,087		ARO amounts excluded from rate base
9	364	Poles, Towers, and Fixtures	2,788	93.871%	2,618		ECR amounts excluded from rate base
10	365	OH Conductors and Devices	3,003	93.871%	2,819		ECR amounts excluded from rate base
11	366	Underground Conduit	18,840	100.000%	18,840		ECR amounts excluded from rate base
12	367	UG Conductors and Devices	136,076	93.871%	127,736		ECR amounts excluded from rate base
13	370	Meters	165,536	100.000%	165,536		DSM amounts excluded from rate base
14	374	ARO Cost Elec Distribution	118,710	100.000%	118,710		ARO amounts excluded from rate base
15	392	Transportation Equipment	19,404	90.856%	17,629		ECR amounts excluded from rate base
16	397	Communication Equipment	2,655,094	100.000%	2,655,094		DSM amounts excluded from rate base
17		TOTAL ADJUSTMENTS	<u>252,539,555</u>		<u>219,392,302</u>		

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
AS OF DECEMBER 31, 2018

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

SCHEDULE B-3.2
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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING	ADJUSTED JURISDICTION			CALCULATED DEPRECIATION EXPENSE (G=DxF)	% NET SALVAGE (H)	REMAINING SERVICE LIFE (I)	CURVE FORM (J)
			PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)	ACCRUAL RATE (F)				
(A)	(B)	(C)	(D)	(E)	(F)	(G=DxF)	(H)	(I)	(J)
			\$	\$		\$			
1		Electric Intangible Plant							
2	301	Organization	39,602	-	0.00%	-	0%		
3	302	Franchises and Consents	55,919	71,375	3.63%	2,030	0%	3.3	20-SQ
4	303	Misc Intangible Plant	105,866,849	62,256,127	16.11%	17,055,149	-	3.9-7.5	5-SQ, SQUARE
5		Total Intangible Plant	105,962,369	62,327,503		17,057,179			
6		Electric Steam Production							
7	310	Land and Land Rights	9,847,596	-	0.00%	-	0%		
8	311	Structures and Improvements	288,386,978	162,651,990	2.00%	5,767,740	-1%,-6%,-7%,-10%,-13%	27.5	100-R2.5
9	312	Boiler Plant Equipment	2,375,038,389	1,001,716,453	2.83%	67,213,586	-6%,-7%,-10%,-13%	21.8	65-R2, 100-S4
9	313	Engines and engine-driven generators	-	-					
10	314	Turbogenerator Units	297,453,720	145,985,257	2.22%	6,603,473	-6%,-7%,-13%	23.0	60-R-2
11	315	Accessory Electric Equipment	188,746,921	97,288,664	2.50%	4,718,673	-6%,-7%,-10%,-13%	24.1	70-S3
12	316	Misc Power Plant Equip	32,050,457	14,045,118	2.29%	733,955	11%	25.8	75-R1.5
13	317	ARO Cost Steam Production	-	-					
14		Total Electric Steam Production	3,191,524,061	1,421,687,482		85,037,427			
15		Electric Hydro Production							
16	330	Land and Land Rights	751,629	800,180	0.00%	-	0%	-	100-R4
17	331	Structures and Improvements	4,052,011	327,307	2.48%	100,490	-3%	24.7	90-S2.5
18	332	Reservoirs, Dams, and Water	19,187,586	8,672,108	2.61%	500,796	-3%	25.1	105-S2.5
19	333	Water Wheels, Turbines, Generators	12,287,889	2,095,682	3.86%	474,313	-3%	25.2	75-R3
20	334	Accessory Electric Equipment	1,169,845	284,202	3.81%	44,571	-3%	22.7	40-L2.5
21	335	Misc Power Plant Equipment	288,616	136,769	3.76%	10,852	-3%	17.6	40-S0
22	336	Roads, Railroads, and Bridges	206,003	84,044	3.33%	6,860	-3%	21.9	60-R4
23	337	ARO Cost Hydro Production	-	-					
24		Total Electric Hydro Production	37,943,579	12,400,292		1,137,881			
25		Electric Other Production							
26	340	Land and Land Rights	469,002	110,042	2.19%	10,271	0%	178.7	SQUARE
27	341	Structures and Improvements	76,336,223	23,213,109	3.38%	2,580,164	-5%,-6%,-7%,-10%,-12%	25.9	50-R2.5
28	342	Fuel Holders, Producers, Accessories	54,911,735	18,703,158	3.27%	1,795,614	-6%,-7%,-10%,-12%	31.3	45-R2.5
29	343	Prime Movers	576,478,831	192,765,029	4.63%	26,690,970	-6%,-7%,-12%	16.0	35-R1.5
30	344	Generators	118,751,547	39,875,554	3.26%	3,871,300	-5%,-6%,-7%,-10%,-12%	28.0	55-S2.5
31	345	Accessory Electric Equipment	68,988,714	25,033,182	3.96%	2,731,953	-5%,-6%,-7%,-10%,-12%	20.4	50-R3
32	346	Misc Power Plant Equipment	8,036,257	3,275,153	4.36%	350,381	-6%,-7%,-10%,-12%	12.6	40-R2
33	347	ARO Cost Other Production	-	-					
34		Total Electric Other Production	903,972,309	302,975,226		38,030,653			
35		Electric Transmission							
36	350	Land and Land Rights	28,521,874	15,541,377	0.86%	245,288	0%	48.9	70-R3
37	352	Structures and Improvements	29,433,848	6,486,841	1.66%	488,602	0%	47.9-59.5	65-R3,70-R3
38	353	Station Equipment	301,406,644	66,733,246	1.67%	5,033,491	0%	46.0	45-R2,60-R2
39	354	Towers and Fixtures	71,576,288	45,686,976	1.69%	1,209,639	-25%	44.8	70-R4
40	355	Poles and Fixtures	324,584,614	64,918,296	2.93%	9,510,329	-55%	48.8	58-R2
41	356	OH Conductors and Devices	174,531,669	99,439,474	2.54%	4,433,104	-50%	43.8	65-R3
42	357	Underground Conduit	427,631	223,226	1.70%	7,270	0%	28.7	50-R4
43	358	UG Conductors and Devices	1,242,239	834,322	0.74%	9,193	0%	23.6	40-R3
44	359	ARO Cost Elec Transmission	-	-					
45		Total Electric Transmission	931,724,806	299,863,759		20,936,916			

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT
AS OF DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
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SCHEDULE B-3.2
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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING	ADJUSTED JURISDICTION			CALCULATED DEPRECIATION EXPENSE (G=DxF)	% NET SALVAGE (H)	REMAINING SERVICE LIFE (I)	CURVE FORM (J)
			PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)	ACCRUAL RATE (F)				
(A)	(B)	(C)	(D)	(E)	(F)	(G=DxF)	(H)	(I)	(J)
			\$	\$		\$			
46		Electric Distribution							
47	360	Land and Land Rights	7,932,203	1,389,232	0.64%	50,766	0%	51.4	70-R4
48	361	Structures and Improvements	13,434,261	2,581,420	2.15%	288,837	-25%	48.4	60-R2.5
49	362	Station Equipment	213,103,703	49,840,089	2.29%	4,880,075	-20%	40.3	54-R2
50	364	Poles, Towers, and Fixtures	376,686,823	161,008,798	2.67%	10,057,538	-50%	40.1	50-R1.5
51	365	OH Conductors and Devices	368,168,358	109,215,905	2.47%	9,093,758	-30%	38.3	47-R1
52	366	Underground Conduit	2,223,629	984,708	2.32%	51,588	0%	25.6	50-R4
53	367	UG Conductors and Devices	195,843,717	48,084,350	2.43%	4,759,002	-20%	40.2	48-R2
54	368	Line Transformers	309,344,070	139,650,607	1.79%	5,537,259	-5%	33.0	46-R2
55	369	Services	116,626,640	60,827,594	1.63%	1,901,014	-25%	36.6	48-R1
56	370	Meters	70,601,961	35,360,992	3.65%	2,576,972	0%	4.3-14.7	15-S2.5, 28-L1
57	371	Install on Customer Premise	6,164	(38)	0.53%	33	-10%	19.3	28-O1
58	373	Street Lighting / Signal Systems	120,247,660	40,618,692	4.00%	4,809,906	-10%	22.1	28-L0.5
59	374	ARO Cost Elec Distribution	-	-		-			
60		Total Electric Distribution	1,794,219,187	649,562,350		44,006,748			
61		Electric General Plant							
62	389	Land and Land Rights	3,106,894	-	0.00%	-	0%		
63	390	Structures and Improvements	61,625,595	12,603,916	2.42%	1,491,339	0%	18.00-39.20	55-S0, 33-R1.5
64	391	Office Furniture and Equipment	41,610,154	19,436,133	12.29%	5,113,888	0%	2.2-9.9	4-SQ, 5-SQ, 20-SQ
65	392	Transportation Equipment	6,853,288	3,766,721	2.95%	202,172	0%	10.8-13.9	16-L2.5, 14-S2
66	393	Stores Equipment	805,841	402,080	4.40%	35,457	0%	18.0	25-SQ
67	394	Tools, Shop, and Garage Equipment	12,617,798	4,340,293	4.02%	507,235	0%	17.5	25-SQ
68	395	Laboratory Equipment	-	-					
69	396	Power Operated Equipment	4,046,460	1,222,915	5.65%	228,625	0%	12.0	16-L5
70	397	Communication Equipment	52,548,263	21,856,919	8.24%	4,329,977	0%	5.6-13.4	10-SQ, 18-L3
71	398	Miscellaneous Equipment	-	-		-			
72		Total Electric General Plant	183,214,292	63,628,977		11,908,694			
73		TOTAL ELECTRIC PLANT	7,148,560,605	2,812,445,588		218,115,499			

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
CONSTRUCTION WORK IN PROGRESS
AS OF DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
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WITNESS: C. M. GARRETT

LINE NO.	MAJOR PROPERTY GROUPING	ACCUMULATED COSTS			JURIS. PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION	
		CONSTRUCTION AMOUNT	AFUDC CAPITALIZED	INDIRECT COSTS					TOTAL COSTS
		\$	\$	\$	\$	\$	\$	\$	
ELECTRIC:									
1	PRODUCTION	366,327,293	1,573,230	-	367,900,523	87.469%	321,798,060	(267,996,274)	53,801,786
2	TRANSMISSION	57,091,595	-	-	57,091,595	93.804%	53,554,015		53,554,015
3	DISTRIBUTION	52,143,798	-	-	52,143,798	97.941%	51,069,897		51,069,897
4	GENERAL	25,780,537	-	-	25,780,537	90.856%	23,423,102		23,423,102
5	TOTAL ELECTRIC	501,343,223	1,573,230	-	502,916,453		449,845,073	(267,996,274)	181,848,799

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
ADJUSTMENTS TO CONSTRUCTION WORK IN PROGRESS
AS OF DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
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LINE NO.	MAJOR PROPERTY GROUPING	TOTAL COMPANY ADJUSTMENT	JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
		\$		\$		
1	PRODUCTION	(306,390,813)	87.469%	(267,996,274)		Remove ECR CWIP
2	TRANSMISSION			-		
3	DISTRIBUTION			-		
4	GENERAL			-		
	TOTAL ADJUSTMENTS	<u>(306,390,813)</u>		<u>(267,996,274)</u>		

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
ALLOWANCE FOR WORKING CAPITAL
FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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	57,845,426	88.078%	50,949,034
2	MATERIAL AND SUPPLIES	13 MONTH AVERAGE BALANCE	B-5.1	62,294,105	89.042%	55,467,706
3	PREPAYMENTS (a)	13 MONTH AVERAGE BALANCE	B-5.1	16,194,448	94.334%	15,276,928
4	EMISSION ALLOWANCES (b)	13 MONTH AVERAGE BALANCE	B-5.1	-	87.844%	-
5	CASH WORKING CAPITAL (b)	LEAD/LAG STUDY	B-5.2	<u>71,557,203</u>	77.294%	<u>55,309,187</u>
6	TOTAL WORKING CAPITAL REQUIREMENTS			<u><u>207,891,181</u></u>		<u><u>177,002,855</u></u>

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

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
OTHER WORKING CAPITAL COMPONENTS
FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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
		\$		\$
1	ELECTRIC: FUEL STOCK	57,845,426	88.078%	50,949,034
2	MATERIAL AND SUPPLIES	62,294,105	89.042%	55,467,706
3	PREPAYMENTS (a)	16,194,448	94.334%	15,276,928
4	EMISSION ALLOWANCES (b)	-	87.844%	-
5	TOTAL OTHER WORKING CAPITAL	<u>136,333,979</u>		<u>121,693,668</u>

(a) Excludes PSC fees.

(b) Excludes ECR amounts.

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
CASH WORKING CAPITAL COMPONENTS
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

SCHEDULE B-5.2
PAGE 2 OF 6
WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL USES OF CASH WORKING CAPITAL:					
1	128	PREPAID PENSION	9,524,306	90.512%	8,620,678
2	182	REGULATORY ASSET - FAS 158 PENSION	138,921,369	90.512%	125,741,068
3	183	PRELIMINARY SURVEY	4,385,494	89.418%	3,921,412
4	184	PENSION CLEARING	2,063,580	90.512%	1,867,796
5	186	MISC DEFERRED DEBITS	15,454,321	90.512%	13,988,077
6	188	RESRCH/DEV/DEMO EXP	<u>1,129,065</u>	90.512%	<u>1,021,944</u>
7		TOTAL USES OF CASH WORKING CAPITAL	<u>171,478,135</u>		<u>155,160,975</u>

LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL SOURCES OF CASH WORKING CAPITAL:					
8	228.2	MISC LONG TERM LIABILITIES	(3,166,583)	90.512%	(2,866,150)
9	228.3	ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	(36,150,828)	90.512%	(32,720,983)
10	242	MISC LIABILITY	(17,873,272)	90.512%	(16,177,527)
11	253	OTHER DEFERRED CREDITS	(11,022,293)	89.418%	(9,855,892)
12	254	REGULATORY LIABILITY - POSTRETIREMENT	(28,093,198)	90.512%	(25,427,829)
13	143/232	NET ACCRUED RETENTION/CWIP	(62,581,880)	89.418%	(55,959,339)
14	143/232	NET ACCRUED RWIP	<u>(7,787,103)</u>	89.418%	<u>(6,963,056)</u>
15		TOTAL SOURCES OF CASH WORKING CAPITAL	<u>(166,675,157)</u>		<u>(149,970,775)</u>
16		TOTAL USES / (SOURCES) OF CASH WORKING CAPITAL (LINE 7 + 15)	<u>4,802,978</u>		<u>5,190,200</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
CASH WORKING CAPITAL COMPONENTS
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

SCHEDULE B-5.2
PAGE 3 OF 6
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	TOTAL COMPANY	JURIS. PERCENT	JURISDICTIONAL AMOUNT
1	ECR OPERATING AND MAINTENANCE EXPENSE	22,806,584	100.00%	22,806,584
2	ELECTRIC POWER PURCHASED	<u>-</u>	100.00%	<u>-</u>
3	O&M LESS PURCHASE POWER EXPENSE (LINE 1 - 2)	<u>22,806,584</u>		<u>22,806,584</u>
4	ECR CASH WORKING CAPITAL (12.5% OF LINE 3)	<u>2,850,823</u>		<u>2,850,823</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF DECEMBER 31, 2018

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	1,343,082	98.400%	1,321,591	-	1,321,591
2	255	Deferred Investment Tax Credits	91,624,049	87.199%	79,895,707	-	79,895,707
3	190, 282, 283	Deferred Income Taxes (a)	1,375,323,265	89.531%	1,231,342,214	(287,295,939)	944,046,275
4	101, 108, 182, 230	Unamortized Closure Cost (a)	(66,971,107)	89.661%	(60,047,057)	60,047,057	-

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

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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	89.082%	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	89.082%	PTDGPLT	Total Production, Transmission, Distribution, and General plant
6		<u>Electric Steam Production</u>			
7	310	Land and Land Rights	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
8	311	Structures and Improvements	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
9	312	Boiler Plant Equipment	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
9	313	Engines and engine-driven generators	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
10	314	Turbogenerator Units	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
11	315	Accessory Electric Equipment	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
12	316	Misc Power Plant Equip	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
13	317	ARO Cost Steam Production	87.844%	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	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
17	331	Structures and Improvements	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
18	332	Reservoirs, Dams, and Water	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
19	333	Water Wheels, Turbines, Generators	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
20	334	Accessory Electric Equipment	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
21	335	Misc Power Plant Equipment	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
22	336	Roads, Railroads, and Bridges	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
23	337	ARO Cost Hydro Production	87.844%	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	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
27	341	Structures and Improvements	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
28	342	Fuel Holders, Producers, Accessories	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
29	343	Prime Movers	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
30	344	Generators	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
31	345	Accessory Electric Equipment	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
32	346	Misc Power Plant Equipment	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
33	347	ARO Cost Other Production	87.844%	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	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
38	352	Structures and Improvements	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
39	353	Station Equipment	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
40	354	Towers and Fixtures	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
41	355	Poles and Fixtures	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
42	356	OH Conductors and Devices	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
43	357	Underground Conduit	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks
44	358	UG Conductors and Devices	95.589%	DEMTRANNF	Retail Demand - Average 12 Coincident Peaks

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
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	95.589%	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	99.885%	DIRECT	Kentucky Situs Plant Directly Assigned to Retail and Wholesale
50	361	Structures and Improvements	97.423%	DIRECT	Kentucky Situs Plant Directly Assigned to Retail and Wholesale
51	362	Station Equipment	98.498%	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	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
57	369	Services	100.000%	DIRECT	Kentucky Situs Plant Directly Assigned
58	370	Meters	99.496%	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. 2018-00294
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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	90.512%	LABOR	Allocated O&M Labor Expense
89	390	Structures and Improvements	90.512%	LABOR	Allocated O&M Labor Expense
90	391	Office Furniture and Equipment	90.512%	LABOR	Allocated O&M Labor Expense
91	392	Transportation Equipment	90.512%	LABOR	Allocated O&M Labor Expense
92	393	Stores Equipment	90.512%	LABOR	Allocated O&M Labor Expense
93	394	Tools, Shop, and Garage Equipment	90.512%	LABOR	Allocated O&M Labor Expense
94	395	Laboratory Equipment	90.512%	LABOR	Allocated O&M Labor Expense
95	396	Power Operated Equipment	90.512%	LABOR	Allocated O&M Labor Expense
96	397	Communication Equipment	91.611%	LABOR, DIRECT	Allocated O&M Labor Expense, DSM Plant Directly Assigned to Kentucky Retail
97	398	Miscellaneous Equipment	90.512%	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	89.082%	PLT303TOT	Plant Account 303
101	310-317	Electric Steam Production	87.844%	STMSYS	Total Steam Production Plant
102	330-337	Electric Hydro Production	87.844%	HYDSYS	Total Hydraulic Production Plant
103	340-347	Electric Other Production	87.844%	OTHSYS	Total Other Production Plant
104	350-359	Kentucky System Transmission Property	95.173%	KYTRPLT	Kentucky System Transmission Plant
105	350-356	Virginia Transmission Property	12.207%	TRPLTVA	Virginia System Transmission Plant
106	360-374	Kentucky Distribution System	99.779%	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	90.856%	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	87.844%	PRODSYS	Total Production System Plant
112	350-359	Kentucky System Transmission Property	95.497%	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	90.856%	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	88.078%	ENERGY	Energy at Generation Level
120	154	Material and Supplies	89.042%	FUNCTIONAL	Production, Transmission, and Distribution Functional Plant
121	158	Emission Allowances	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks
122	163	Stores Undistributed	89.042%	M&S	Total Material and Supplies
123	165	Prepayments	89.795%	EXP9245	Total Account 924 and 925 Expense
124		<u>CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAX</u>			
125	190, 282, 283	Production Plant	87.844%	PRODSYS	Total Production System Plant
126	190, 282, 283	Kentucky System Transmission Property	95.497%	KYTRPLT	Kentucky System Transmission Plant
127	190, 282, 283	Virginia Transmission Property	0.000%	VATRPLT	Virginia Transmission Plant

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL PERCENTAGE
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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	90.856%	GENPLT	Total General Plant
131	190, 282, 283	Allowance for Funds Used During Construction	0.000%	DEMFERC	Demand - Virginia and FERC Jurisdictions
132	252	Customer Advances for Construction	98.400%	CUSTADV	Directly Assigned
133	255	Deferred Investment Tax Credits	87.199%	PRODPLT	Total Production Plant
134	230	Unamortized Closure Cost	87.844%	DEMPROD	System Demand - Average 12 Coincident Peaks

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL STATISTICS - RATE BASE
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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	9,557,709,748	(1,563,734,102)	7,993,975,646	7,148,560,605	89.424%
2	Property Held for Future Use	1,912,920	-	1,912,920	1,297,833	67.846%
3	Accumulated Depreciation and Amortization	<u>(3,429,322,259)</u>	<u>252,539,555</u>	<u>(3,176,782,704)</u>	<u>(2,812,445,588)</u>	88.531%
4	Net Plant in Service (Lines 1+2+3)	6,130,300,408	(1,311,194,547)	4,819,105,861	4,337,412,849	90.005%
5	Construction Work in Progress	<u>502,916,453</u>	<u>(306,390,813)</u>	<u>196,525,639</u>	<u>181,848,799</u>	92.532%
6	Net Plant (Lines 4+5)	6,633,216,861	(1,617,585,360)	5,015,631,501	4,519,261,649	90.104%
7	Cash Working Capital Allowance	71,557,203	(2,850,823)	68,706,380	55,309,187	80.501%
8	Other Working Capital Allowances	136,463,479	(127,771)	136,335,707	121,693,668	89.260%
9	Customer Advances for Construction	(1,343,082)	-	(1,343,082)	(1,321,591)	98.400%
10	Deferred Income Taxes	(1,375,323,265)	325,021,685	(1,050,301,580)	(944,046,275)	89.883%
11	Investment Tax Credits	(91,624,049)	-	(91,624,049)	(79,895,707)	87.199%
12	Other Items	<u>66,971,107</u>	<u>(66,971,107)</u>	<u>-</u>	<u>-</u>	0.000%
13	Rate Base (Lines 6 through 12)	<u>5,439,918,253</u>	<u>(1,362,513,377)</u>	<u>4,077,404,876</u>	<u>3,671,000,931</u>	90.033%

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPARATIVE BALANCE SHEETS - TOTAL COMPANY
AS OF DECEMBER 31, 2013 - 2017 AND BASE AND FORECASTED PERIODS

DATA: __X__ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED __X__ 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	2017	% CHANGE	2016	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013
1	ASSETS													
2	UTILITY PLANT													
3	Utility Plant	\$ 10,110,554,037	5.76%	\$ 9,559,622,667	3.04%	\$ 9,277,183,893	2.11%	\$ 9,085,754,806	3.07%	\$ 8,814,981,934	13.19%	\$ 7,787,639,370	11.73%	\$ 6,969,992,612
4	Construction Work in Progress	<u>238,614,174</u>	-52.55%	<u>502,916,453</u>	56.59%	<u>321,167,940</u>	77.64%	<u>180,793,120</u>	-32.29%	<u>267,026,968</u>	-69.66%	<u>880,068,809</u>	-22.71%	<u>1,138,612,872</u>
5	Total Utility Plant	\$ 10,349,168,211	2.85%	\$ 10,062,539,120	4.84%	\$ 9,598,351,833	3.58%	\$ 9,266,547,926	2.03%	\$ 9,082,008,901	4.78%	\$ 8,667,708,179	6.90%	\$ 8,108,605,484
6	Less: Accumulated Provision for Depreciation	<u>3,502,311,758</u>	2.13%	<u>3,429,322,259</u>	5.90%	<u>3,238,141,782</u>	6.13%	<u>3,051,197,812</u>	7.07%	<u>2,849,851,989</u>	1.82%	<u>2,798,968,737</u>	5.72%	<u>2,647,410,913</u>
7	Net Utility Plant	\$ <u>6,846,856,454</u>	3.22%	\$ <u>6,633,216,861</u>	4.29%	\$ <u>6,360,210,052</u>	2.33%	\$ <u>6,215,350,114</u>	-0.27%	\$ <u>6,232,156,912</u>	6.19%	\$ <u>5,868,739,442</u>	7.46%	\$ <u>5,461,194,571</u>
8	OTHER PROPERTY AND INVESTMENTS													
9	Nonutility Property-Less Reserve	\$ 178,714	-70.84%	\$ 612,836	242.91%	\$ 178,714	-81.60%	\$ 971,313	0.00%	\$ 971,313	0.00%	\$ 971,313	-0.04%	\$ 971,720
10	Investment in Subsidiary Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
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	<u>24,608,293</u>	100.00%	<u>0</u>	0.00%	<u>0</u>	0.00%	<u>0</u>	0.00%	<u>0</u>	0.00%	<u>0</u>	0.00%	<u>0</u>
13	Total Other Property and Investments	\$ <u>25,037,007</u>	2801.71%	\$ <u>862,837</u>	101.26%	\$ <u>428,714</u>	-64.90%	\$ <u>1,221,313</u>	0.00%	\$ <u>1,221,313</u>	0.00%	\$ <u>1,221,313</u>	-0.03%	\$ <u>1,221,720</u>
14	CURRENT AND ACCRUED ASSETS													
15	Cash	\$ 5,000,000	-60.35%	\$ 12,611,870	-1.60%	\$ 12,816,843	75.99%	\$ 7,282,580	1.98%	\$ 7,140,988	1.89%	\$ 7,008,866	40.29%	\$ 4,995,915
16	Special Deposits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	-
17	Working Funds	61,030	0.00%	61,030	0.00%	61,030	0.00%	61,030	0.00%	61,030	0.00%	61,030	58.40%	38,530
18	Temporary Cash Investments	186,967	-80.52%	960,025	-48.50%	1,864,128	1208.14%	142,502	-96.65%	4,253,006	4.58%	4,066,766	-74.02%	15,653,517
19	Customer Accounts Receivable	137,605,195	5.08%	130,948,341	-0.02%	130,977,197	2.94%	127,242,471	7.15%	118,748,901	-6.28%	126,706,511	2.92%	123,112,411
20	Other Accounts Receivable	30,273,408	-8.68%	33,150,250	11.61%	29,701,664	542.97%	4,619,468	-41.46%	7,890,513	40.69%	5,608,374	-49.86%	11,185,718
21	Less: Accum Prov. for Uncollectable Accts-Credit	1,300,651	-18.87%	1,603,257	8.47%	1,478,119	-16.42%	1,768,558	-3.46%	1,832,010	-24.22%	2,417,633	-44.88%	4,383,968
22	Accounts Receivable from Associated Companies	4,612,765	100.00%	2	0.00%	-	-100.00%	(38,001)	-104.48%	847,986	-98.58%	59,765,613	91415.64%	65,306
23	Fuel	62,955,456	12.05%	56,182,929	-9.74%	62,248,036	-36.79%	98,479,707	1.47%	97,051,051	-2.25%	99,282,056	27.60%	77,808,312
24	Plant Materials and Operating Supplies	48,204,764	-13.36%	55,639,905	12.89%	49,287,221	9.67%	44,941,734	9.13%	41,183,222	6.54%	38,655,516	6.18%	36,405,243
25	Allowances	129,522	1.37%	127,771	-2.64%	131,238	-2.92%	136,180	-3.69%	140,356	-11.65%	158,872	-45.87%	293,509
26	Stores Expense Undistributed	12,000,185	21.99%	9,836,645	-15.19%	11,598,193	6.64%	10,876,430	16.06%	9,371,630	-11.37%	10,574,016	3.53%	10,213,703
27	Prepayments	18,099,152	7.16%	16,889,824	-3.81%	16,269,726	0.52%	16,185,363	115.42%	7,513,312	-1.52%	7,629,374	29.01%	5,913,625
28	Interest, Dividends and Rents Receivable	607,158	2.36%	593,153	-11.76%	672,221	4.73%	641,876	-20.30%	805,401	-38.27%	1,304,680	38.62%	941,160
29	Accrued Utility Revenues	91,859,829	0.14%	91,735,423	-18.56%	112,646,659	18.65%	94,937,816	18.55%	80,083,721	-12.06%	91,068,107	-3.57%	94,441,382
30	Miscellaneous Current Assets	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	-
31	Total Current and Accrued Assets	\$ <u>410,294,781</u>	0.78%	\$ <u>407,133,910</u>	-4.61%	\$ <u>426,796,039</u>	5.71%	\$ <u>403,739,600</u>	8.17%	\$ <u>373,259,106</u>	-16.96%	\$ <u>449,472,147</u>	19.32%	\$ <u>376,684,363</u>
32	DEFERRED DEBITS													
33	Unamortized Debt Expense	\$ 18,230,962	9.66%	\$ 16,624,735	-7.92%	\$ 18,055,102	-6.07%	\$ 19,221,807	-8.14%	\$ 20,924,669	12.41%	\$ 18,614,827	-6.35%	\$ 19,877,251
34	Other Regulatory Assets	432,887,560	-2.98%	446,191,303	7.01%	416,947,625	-5.93%	443,231,695	16.90%	379,151,145	15.08%	329,468,702	38.68%	237,578,508
35	Preliminary Survey and Inventory	4,177,728	16.90%	3,573,906	-26.29%	4,848,827	-21.21%	6,153,879	-8.99%	6,761,703	18.14%	5,723,428	141.40%	2,370,925
36	Clearing Accounts	4,132,826	100.00%	0	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Miscellaneous Deferred Debits	54,886,442	4.79%	52,375,888	13.29%	46,233,523	-3.00%	47,661,866	16.22%	41,010,309	5.26%	38,961,966	-0.01%	38,965,723
38	Unamortized Loss on Re-Acquired Debt	8,076,267	-4.97%	8,498,364	-3.71%	8,826,063	-6.46%	9,436,063	5.94%	8,907,228	-7.13%	9,590,735	-0.49%	9,638,316
39	Accumulated Deferred Income Taxes	349,065,730	5.12%	332,076,723	-8.36%	362,371,175	13.47%	319,366,234	-10.80%	358,038,656	61.50%	221,690,914	6.43%	208,306,280
40	Total Deferred Debits	\$ <u>871,457,515</u>	1.41%	\$ <u>859,340,918</u>	0.24%	\$ <u>857,282,315</u>	1.44%	\$ <u>845,071,543</u>	3.72%	\$ <u>814,793,709</u>	30.57%	\$ <u>624,050,571</u>	20.77%	\$ <u>516,737,002</u>
41	Total Assets	\$ <u>8,153,645,757</u>	3.20%	\$ <u>7,900,554,525</u>	3.35%	\$ <u>7,644,717,120</u>	2.40%	\$ <u>7,465,382,570</u>	0.59%	\$ <u>7,421,431,040</u>	6.88%	\$ <u>6,943,483,474</u>	9.25%	\$ <u>6,355,837,657</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPARATIVE BALANCE SHEETS - TOTAL COMPANY
AS OF DECEMBER 31, 2013 - 2017 AND BASE AND FORECASTED PERIODS

DATA: __X__ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED __X__ REVISED
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SCHEDULE B-8
PAGE 2 OF 4
WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MO AVG FORECAST PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2017	% CHANGE	2016	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013
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	766,800,230	21.94%	628,858,083	7.71%	583,858,083	0.00%	583,858,083	3.55%	563,858,083	0.00%	563,858,083	19.24%	472,858,083
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	0	0.00%	0	0.00%	-	-100.00%	(1,813,204)	11.43%	(1,627,215)	32.02%	(1,232,509)	34.40%	(917,020)
7	Retained Earnings	1,927,329,003	1.52%	1,898,449,904	2.19%	1,857,820,153	1.70%	1,826,711,397	0.96%	1,809,303,187	4.65%	1,728,986,179	4.31%	1,657,535,909
8	Unappropriated Undistributed Subsidiary Earnings	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
9	Total Proprietary Capital	<u>\$ 3,001,947,921</u>	5.88%	<u>\$ 2,835,126,676</u>	3.11%	<u>\$ 2,749,496,925</u>	1.21%	<u>\$ 2,716,574,965</u>	1.39%	<u>\$ 2,679,352,744</u>	3.07%	<u>\$ 2,599,430,441</u>	6.65%	<u>\$ 2,437,295,661</u>
10	LONG-TERM DEBT													
11	Bonds	\$ 2,618,775,482	11.82%	\$ 2,341,852,405	-0.38%	\$ 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
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	(7,580,273)	-5.58%	(8,028,097)	-6.32%	(8,570,037)	-5.88%	(9,105,388)	-5.63%	(9,648,803)	-3.62%	(10,011,254)	-6.52%	(10,709,837)
14	Total Long-Term Debt	<u>\$ 2,611,195,209</u>	11.88%	<u>\$ 2,333,824,308</u>	-0.36%	<u>\$ 2,342,209,368</u>	0.02%	<u>\$ 2,341,674,017</u>	0.02%	<u>\$ 2,341,130,602</u>	11.97%	<u>\$ 2,090,768,151</u>	0.03%	<u>\$ 2,090,069,568</u>
15	OTHER NON-CURRENT LIABILITIES													
16	Accumulated Provision for Injuries and Damages	\$ 3,198,333	8.20%	\$ 2,956,059	-13.60%	\$ 3,421,397	71.98%	\$ 1,989,404	-15.09%	\$ 2,343,040	14.30%	\$ 2,049,992	-6.15%	\$ 2,184,308
17	Accumulated Provision for Pensions and Benefits	25,652,277	-20.34%	32,200,381	-56.94%	74,784,141	-30.45%	107,519,754	14.75%	93,702,289	-20.33%	117,607,470	95.47%	60,166,262
18	Total Other Non-Current Liabilities	<u>\$ 28,850,610</u>	-17.94%	<u>\$ 35,156,441</u>	-55.05%	<u>\$ 78,205,537</u>	-28.59%	<u>\$ 109,509,159</u>	14.02%	<u>\$ 96,045,329</u>	-19.73%	<u>\$ 119,657,462</u>	91.91%	<u>\$ 62,350,570</u>
19	CURRENT AND ACCRUED LIABILITIES													
20	Notes Payable	\$ 70,738,410	-69.91%	\$ 235,079,778	422.89%	\$ 44,957,426	181.00%	\$ 15,999,230	-66.67%	\$ 47,997,120	-79.63%	\$ 235,592,322	100.00%	\$ 149,967,366
21	Accounts Payable	134,416,099	-25.83%	181,224,961	13.77%	159,294,014	75.73%	90,647,550	-16.35%	108,362,454	-29.19%	153,042,158	-11.36%	172,652,307
22	Notes Payable to Associated Companies	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
23	Accounts Payable to Associated Companies	45,844,751	-13.67%	53,103,480	-0.20%	53,209,388	-5.31%	56,193,623	43.43%	39,179,663	-15.91%	46,590,075	83.81%	25,347,065
24	Customer Deposits	30,898,993	-3.35%	31,967,926	4.52%	30,584,515	5.91%	28,877,638	10.01%	26,249,503	-3.69%	27,255,893	6.24%	25,654,975
25	Taxes Accrued	23,130,729	-3.17%	23,887,526	26.82%	18,835,542	-58.26%	45,124,110	120.90%	20,427,557	46.18%	13,974,039	-57.02%	32,514,050
26	Interest Accrued	29,561,778	81.73%	16,266,827	0.65%	16,161,240	0.87%	16,021,675	1.65%	15,760,841	35.59%	11,624,315	0.87%	11,524,331
27	Tax Collections Payable	4,248,291	3.77%	4,093,916	-1.36%	4,150,228	-6.26%	4,427,194	10.98%	3,989,312	-23.63%	5,223,518	13.70%	4,594,183
28	Miscellaneous Current and Accrued Liabilities	24,943,027	30.35%	19,134,885	2.71%	18,630,719	3.40%	18,017,570	-5.71%	19,107,816	-64.21%	53,393,554	217.22%	16,831,456
29	Total Current and Accrued Liabilities	<u>\$ 363,781,478</u>	-35.59%	<u>\$ 564,759,299</u>	63.31%	<u>\$ 345,823,072</u>	25.61%	<u>\$ 275,308,589</u>	-2.05%	<u>\$ 281,074,268</u>	-48.59%	<u>\$ 546,695,875</u>	24.51%	<u>\$ 439,085,732</u>
30	DEFERRED CREDITS													
31	Customer Advances for Construction	\$ 980,981	-26.96%	\$ 1,343,082	59.47%	\$ 842,196	-44.63%	\$ 1,521,114	-22.73%	\$ 1,968,685	-11.26%	\$ 2,218,445	-23.03%	\$ 2,882,357
32	Accumulated Deferred Investment Tax Credits	89,931,576	-1.85%	91,624,050	-2.38%	93,857,854	-2.00%	95,774,040	2.96%	93,018,938	-1.95%	94,865,140	-1.93%	96,736,400
33	Other Deferred Credits	1,739,959	29.17%	1,347,032	-2.53%	1,381,941	-10.43%	1,542,817	-82.23%	8,679,929	-77.45%	38,495,004	11.38%	34,563,218
34	Other Regulatory Liabilities	730,348,859	-5.27%	770,939,990	3.58%	744,309,851	412.60%	145,201,851	-5.34%	153,390,896	12.71%	136,098,871	-9.53%	150,443,179
35	Asset Retirement Obligation	165,695,113	-16.91%	199,407,981	-15.12%	234,928,553	-18.62%	288,674,252	-20.29%	362,143,424	71.66%	210,966,864	17.95%	178,860,881
36	Miscellaneous Long-Term Liabilities	18,947,980	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Accumulated Deferred Income Taxes	1,140,226,070	6.86%	1,067,025,667	1.27%	1,053,661,822	-29.27%	1,489,601,767	6.05%	1,404,626,225	27.20%	1,104,287,221	27.88%	863,550,092
38	Total Deferred Credits	<u>\$ 2,147,870,539</u>	0.76%	<u>\$ 2,131,687,802</u>	0.13%	<u>\$ 2,128,982,217</u>	5.27%	<u>\$ 2,022,315,840</u>	-0.07%	<u>\$ 2,023,828,098</u>	27.53%	<u>\$ 1,586,931,544</u>	19.58%	<u>\$ 1,327,036,126</u>
39	Total Liabilities and Stockholders Equity	<u>\$ 8,153,645,757</u>	3.20%	<u>\$ 7,900,554,525</u>	3.35%	<u>\$ 7,644,717,120</u>	2.40%	<u>\$ 7,465,382,570</u>	0.59%	<u>\$ 7,421,431,040</u>	6.88%	<u>\$ 6,943,483,474</u>	9.25%	<u>\$ 6,355,837,657</u>

KENTUCKY UTILITIES COMPANY
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COMPARATIVE BALANCE SHEETS - JURISDICTIONAL
AS OF DECEMBER 31, 2013 - 2017 AND BASE AND FORECASTED PERIODS

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WITNESS: C. M. GARRETT

LINE NO.	DESCRIPTION	13 MO AVG FORECAST PERIOD	% CHANGE	BASE PERIOD	% CHANGE	2017	% CHANGE	2016	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013
1	ASSETS													
2	UTILITY PLANT													
3	Utility Plant	\$ 9,425,469,471	10.68%	\$8,515,898,192	3.35%	\$ 8,239,860,512	2.15%	\$ 8,066,579,723	3.29%	\$ 7,809,708,173	13.07%	\$6,907,252,256	13.06%	\$ 6,109,393,920
4	Construction Work in Progress	<u>222,778,375</u>	-50.48%	<u>449,845,073</u>	54.60%	<u>290,967,937</u>	81.30%	<u>160,492,555</u>	-32.98%	<u>239,479,528</u>	-69.05%	<u>773,835,127</u>	-22.11%	<u>993,501,971</u>
5	Total Utility Plant	\$ 9,648,247,846	7.61%	\$8,965,743,265	5.10%	\$ 8,530,828,449	3.69%	\$ 8,227,072,278	2.21%	\$ 8,049,187,701	4.79%	\$7,681,087,383	8.14%	\$ 7,102,895,891
6	Less: Accumulated Provision for Depreciation	<u>3,249,389,114</u>	7.18%	<u>3,031,837,890</u>	6.01%	<u>2,859,859,794</u>	6.11%	<u>2,695,220,824</u>	7.15%	<u>2,515,389,531</u>	1.80%	<u>2,470,919,404</u>	7.23%	<u>2,304,221,652</u>
7	Net Utility Plant	<u>\$ 6,398,858,732</u>	7.84%	<u>\$5,933,905,375</u>	4.64%	<u>\$ 5,670,968,655</u>	2.51%	<u>\$ 5,531,851,454</u>	-0.04%	<u>\$ 5,533,798,170</u>	6.21%	<u>\$5,210,167,979</u>	8.58%	<u>\$ 4,798,674,239</u>
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	<u>23,148,988</u>	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Total Other Property and Investments	<u>\$ 23,148,988</u>	0.00%	<u>\$ -</u>	0.00%	<u>\$ -</u>	0.00%	<u>\$ -</u>	0.00%	<u>\$ -</u>	0.00%	<u>\$ -</u>	0.00%	<u>\$ -</u>
14	CURRENT AND ACCRUED ASSETS													
15	Cash	\$ 4,688,500	-58.43%	\$ 11,277,257	-1.34%	\$ 11,430,927	76.01%	\$ 6,494,357	2.23%	\$ 6,352,622	1.95%	\$ 6,230,817	41.76%	\$ 4,395,326
16	Special Deposits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	-
17	Working Funds	57,228	4.87%	54,572	0.26%	54,431	0.01%	54,424	0.24%	54,292	0.07%	54,255	60.05%	33,898
18	Temporary Cash Investments	175,319	100.00%	858,433	-48.37%	1,662,555	1208.28%	127,079	-96.64%	3,783,474	4.65%	3,615,317	-73.75%	13,771,713
19	Customer Accounts Receivable	129,032,391	13.64%	113,541,956	0.24%	113,265,988	2.71%	110,274,077	6.45%	103,591,006	-14.76%	121,522,714	14.42%	106,205,466
20	Other Accounts Receivable	28,387,374	-4.23%	29,642,223	11.90%	26,489,950	543.04%	4,119,484	-41.31%	7,019,400	40.79%	4,985,792	-49.34%	9,841,015
21	Less: Accum Prov. for Uncollectable Accts-Credit	<u>1,219,620</u>	-14.93%	<u>1,433,597</u>	8.75%	<u>1,318,286</u>	-16.41%	<u>1,577,140</u>	-3.23%	<u>1,629,756</u>	-24.17%	<u>2,149,253</u>	-44.28%	<u>3,856,945</u>
22	Accounts Receivable from Associated Companies	<u>4,339,222</u>	100.00%	<u>2</u>	100.00%	<u>-</u>	-100.00%	<u>(34,311)</u>	-104.49%	<u>764,513</u>	-98.58%	<u>53,913,347</u>	92231.60%	<u>58,391</u>
23	Fuel	59,241,661	19.72%	49,484,741	-9.69%	54,794,719	-36.71%	86,574,538	1.40%	85,381,311	-2.19%	87,293,860	28.06%	68,167,723
24	Plant Materials and Operating Supplies	44,905,721	-9.36%	49,542,695	13.39%	43,693,251	9.88%	39,765,334	9.40%	36,347,735	6.53%	34,118,673	7.71%	31,676,565
25	Allowances	121,416	8.18%	112,240	-2.45%	115,061	-2.94%	118,541	-3.61%	122,986	-11.65%	139,208	-45.64%	256,081
26	Stores Expense Undistributed	11,178,915	27.63%	8,758,712	-14.81%	10,281,828	6.84%	9,623,681	16.27%	8,276,938	-11.37%	9,338,521	5.08%	8,887,045
27	Prepayments	15,605,034	2.89%	15,166,145	4.14%	14,563,408	-4.14%	15,193,141	126.45%	6,709,306	-3.47%	6,950,608	33.26%	5,215,668
28	Interest, Dividends and Rents Receivable	569,332	7.34%	530,384	-11.53%	599,532	4.74%	572,404	-20.11%	716,484	-38.23%	1,159,848	40.08%	828,017
29	Accrued Utility Revenues	86,136,962	10.52%	77,940,000	-19.65%	97,006,000	20.90%	80,234,000	17.33%	68,383,000	-11.28%	77,080,000	-2.54%	79,091,763
30	Miscellaneous Current Assets	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	-
31	Total Current and Accrued Assets	<u>\$ 383,219,455</u>	7.80%	<u>\$ 355,475,763</u>	-4.61%	<u>\$ 372,639,364</u>	6.00%	<u>\$ 351,539,609</u>	7.88%	<u>\$ 325,873,311</u>	-19.39%	<u>\$ 404,253,707</u>	24.55%	<u>\$ 324,571,726</u>
32	DEFERRED DEBITS													
33	Unamortized Debt Expense	\$ 17,095,173	15.00%	\$ 14,865,471	-7.68%	\$ 16,102,760	-6.06%	\$ 17,141,354	-7.91%	\$ 18,614,583	12.49%	\$ 16,548,407	-5.37%	\$ 17,487,686
34	Other Regulatory Assets	388,553,158	-3.44%	402,393,783	8.90%	369,499,765	-5.01%	389,005,128	15.97%	335,436,359	13.54%	295,427,181	39.63%	211,572,234
35	Preliminary Survey and Inventory	3,917,455	22.70%	3,192,786	-26.17%	4,324,511	-21.20%	5,487,820	-8.77%	6,015,210	18.22%	5,088,074	143.93%	2,085,901
36	Clearing Accounts	3,887,744	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Miscellaneous Deferred Debits	16,186,427	-4.59%	16,964,501	41.85%	11,959,114	-71.41%	41,830,326	16.39%	35,940,789	5.26%	34,143,431	0.42%	34,001,188
38	Unamortized Loss on Re-Acquired Debt	7,573,116	-0.34%	7,599,050	-3.46%	7,871,679	-6.45%	8,414,760	6.20%	7,923,869	-7.06%	8,526,074	0.55%	8,479,635
39	Accumulated Deferred Income Taxes	<u>327,488,003</u>	10.15%	<u>297,311,983</u>	-8.00%	<u>323,154,521</u>	13.59%	<u>284,501,438</u>	-10.56%	<u>318,105,572</u>	60.89%	<u>197,715,483</u>	7.96%	<u>183,131,021</u>
40	Total Deferred Debits	<u>\$ 764,701,076</u>	3.01%	<u>\$ 742,327,574</u>	1.28%	<u>\$ 732,912,350</u>	-1.80%	<u>\$ 746,380,826</u>	3.37%	<u>\$ 722,036,382</u>	29.53%	<u>\$ 557,448,650</u>	22.04%	<u>\$ 456,757,665</u>
41	Total Assets	<u>\$ 7,569,928,251</u>	7.65%	<u>\$7,031,708,712</u>	3.77%	<u>\$ 6,776,520,380</u>	2.21%	<u>\$ 6,629,771,889</u>	0.73%	<u>\$ 6,581,707,863</u>	6.64%	<u>\$6,171,870,336</u>	10.61%	<u>\$ 5,580,003,629</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPARATIVE BALANCE SHEETS - JURISDICTIONAL
AS OF DECEMBER 31, 2013 - 2017 AND BASE AND FORECASTED PERIODS

DATA: __X__ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__ UPDATED __X__ 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	2017	% CHANGE	2016	% CHANGE	2015	% CHANGE	2014	% CHANGE	2013
1	LIABILITIES & PROPRIETARY CAPITAL													
2	PROPRIETARY CAPITAL													
3	Common Stock Issued	\$ 288,942,857	4.87%	\$ 275,531,980	0.26%	\$ 274,820,047	0.01%	\$ 274,788,758	0.24%	\$ 274,121,285	0.07%	\$ 273,933,567	1.05%	\$ 271,096,600
4	Paid in Capital	719,028,576	27.87%	562,311,044	7.99%	520,724,078	0.01%	520,664,792	3.80%	501,608,079	0.07%	501,264,579	20.49%	416,012,943
5	(Less) Capital Stock Expense	301,273	4.87%	287,289	0.26%	286,547	0.01%	286,514	0.24%	285,819	0.07%	285,623	1.05%	282,665
6	Other Comprehensive Income	0	0.00%	0	0.00%	0	-100.00%	(1,616,953)	11.70%	(1,447,571)	100.00%	(1,095,689)	0.00%	(806,780)
7	Retained Earnings	1,807,256,406	6.46%	1,697,552,082	2.45%	1,656,929,509	1.71%	1,628,999,132	1.21%	1,609,555,887	4.72%	1,537,052,594	5.40%	1,458,273,456
8	Unappropriated Undistributed Subsidiary Earnings	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
9	Total Proprietary Capital	<u>\$ 2,814,926,566</u>	11.04%	<u>\$2,535,107,817</u>	3.38%	<u>\$ 2,452,187,087</u>	1.22%	<u>\$ 2,422,549,215</u>	1.64%	<u>\$ 2,383,551,861</u>	3.15%	<u>\$2,310,869,428</u>	7.77%	<u>\$ 2,144,293,554</u>
10	LONG-TERM DEBT													
11	Bonds	\$ 2,455,625,769	17.27%	\$2,094,032,830	-0.12%	\$ 2,096,583,869	0.01%	\$ 2,096,345,168	0.24%	\$ 2,091,253,062	11.98%	\$ 1,867,573,305	1.05%	\$ 1,848,231,961
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	(7,108,022)	-0.98%	(7,178,548)	-6.08%	(7,643,338)	-5.87%	(8,119,875)	-5.40%	(8,583,574)	-3.55%	(8,899,911)	-5.54%	(9,422,342)
14	Total Long-Term Debt	<u>\$ 2,448,517,747</u>	17.33%	<u>\$2,086,854,282</u>	-0.10%	<u>\$ 2,088,940,531</u>	0.03%	<u>\$ 2,088,225,293</u>	0.27%	<u>\$ 2,082,669,488</u>	12.05%	<u>\$1,858,673,394</u>	1.08%	<u>\$ 1,838,809,619</u>
15	OTHER NON-CURRENT LIABILITIES													
16	Accumulated Provision for Injuries and Damages	\$ 3,008,668	12.45%	\$ 2,675,600	-13.46%	\$ 3,091,792	72.13%	\$ 1,796,217	-14.97%	\$ 2,112,397	14.23%	\$ 1,849,256	-5.31%	\$ 1,953,010
17	Accumulated Provision for Pensions and Benefits	24,131,063	-17.20%	29,145,339	-56.87%	67,579,711	-30.39%	97,078,722	14.92%	84,478,470	-20.37%	106,091,313	97.21%	53,795,213
18	Total Other Non-Current Liabilities	<u>\$ 27,139,731</u>	-14.71%	<u>\$ 31,820,939</u>	-54.97%	<u>\$ 70,671,503</u>	-28.52%	<u>\$ 98,874,939</u>	14.19%	<u>\$ 86,590,867</u>	-19.78%	<u>\$ 107,940,569</u>	93.62%	<u>\$ 55,748,223</u>
19	CURRENT AND ACCRUED LIABILITIES													
20	Notes Payable	\$ 66,331,407	-68.44%	\$ 210,203,159	424.25%	\$ 40,096,069	181.03%	\$ 14,267,569	-66.59%	\$ 42,698,232	-79.61%	\$ 209,439,378	100.00%	\$ 131,938,878
21	Accounts Payable	126,445,043	-22.91%	164,031,065	13.95%	143,948,214	75.88%	81,844,944	-16.22%	97,695,525	-29.23%	138,056,227	-10.57%	154,370,031
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	29,187,851	-4.52%	30,571,015	5.81%	28,891,349	6.87%	27,033,357	8.53%	24,908,053	-3.91%	25,921,052	4.73%	24,750,051
25	Taxes Accrued	22,791,279	6.70%	21,359,699	27.15%	16,798,809	-58.25%	40,240,147	121.44%	18,172,353	46.28%	12,422,790	-56.57%	28,605,338
26	Interest Accrued	27,720,080	90.58%	14,545,438	0.91%	14,413,685	0.88%	14,287,586	1.90%	14,020,842	35.68%	10,333,908	1.92%	10,138,921
27	Tax Collections Payable	4,185,946	10.51%	3,787,971	-1.32%	3,838,694	0.11%	3,834,288	11.36%	3,443,074	-24.03%	4,532,001	11.63%	4,059,933
28	Miscellaneous Current and Accrued Liabilities	23,343,758	30.28%	17,917,979	2.85%	17,421,961	3.58%	16,819,826	-5.16%	17,734,450	-63.18%	48,164,634	209.16%	15,579,147
29	Total Current and Accrued Liabilities	<u>\$ 300,005,364</u>	-35.12%	<u>\$ 462,416,326</u>	74.23%	<u>\$ 265,408,781</u>	33.82%	<u>\$ 198,327,717</u>	-9.30%	<u>\$ 218,672,529</u>	-51.28%	<u>\$ 448,869,990</u>	21.50%	<u>\$ 369,442,298</u>
30	DEFERRED CREDITS													
31	Customer Advances for Construction	\$ 951,647	-27.99%	\$ 1,321,591	61.76%	\$ 817,011	-45.38%	\$ 1,495,930	-25.60%	\$ 2,010,715	-8.15%	\$ 2,189,028	-24.05%	\$ 2,882,357
32	Accumulated Deferred Investment Tax Credits	84,144,327	5.32%	79,895,707	-2.18%	81,675,862	-2.01%	83,354,364	3.04%	80,894,843	-1.90%	82,459,256	-0.94%	83,238,778
33	Other Deferred Credits	1,631,560	37.72%	1,184,709	-2.31%	1,212,692	-10.56%	1,355,895	-82.20%	7,615,538	-77.43%	33,738,882	11.88%	30,156,091
34	Other Regulatory Liabilities	653,237,869	-4.67%	685,212,312	3.21%	663,931,052	413.06%	129,406,362	-5.45%	136,859,083	14.93%	119,078,902	-10.18%	132,568,066
35	Asset Retirement Obligation	155,325,255	-11.33%	175,168,770	-14.95%	205,970,157	-18.63%	253,142,033	-20.23%	317,326,124	71.66%	184,855,402	18.46%	156,052,187
36	Miscellaneous Long-Term Liabilities	17,824,340	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
37	Accumulated Deferred Income Taxes	1,069,742,247	11.98%	955,319,946	1.67%	939,632,082	-29.19%	1,326,983,882	6.33%	1,247,964,211	26.71%	984,860,756	29.73%	759,184,072
38	Total Deferred Credits	<u>\$ 1,982,857,245</u>	4.47%	<u>\$1,898,103,035</u>	0.26%	<u>\$ 1,893,238,856</u>	5.43%	<u>\$ 1,795,738,466</u>	0.17%	<u>\$ 1,792,670,514</u>	27.39%	<u>\$1,407,182,226</u>	20.88%	<u>\$ 1,164,081,551</u>
39	Total Liabilities and Stockholders Equity	<u>\$ 7,573,446,653</u>	7.97%	<u>\$7,014,302,398</u>	3.60%	<u>\$ 6,770,446,758</u>	2.52%	<u>\$ 6,603,715,630</u>	0.60%	<u>\$ 6,564,155,260</u>	7.02%	<u>\$6,133,535,607</u>	10.07%	<u>\$ 5,572,375,245</u>
40	Adjustment to Balance	<u>\$ (3,518,402)</u>		<u>\$ 17,406,314</u>		<u>\$ 6,073,621</u>		<u>\$ 26,056,259</u>		<u>\$ 17,552,603</u>		<u>\$ 38,334,728</u>		<u>\$ 7,628,384</u>

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294

BASE PERIOD : FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECASTED PERIOD : FOR THE 12 MONTHS ENDED APRIL 30, 2020

<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. 2018-00294
JURISDICTIONAL OPERATING INCOME SUMMARY
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018
FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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	1,388,875,818	19,925,201	1,408,801,019	112,918,875	1,521,719,894
3	OTHER OPERATING REVENUES	40,460,827	(1,610,418)	38,850,409	(459,016)	38,391,393
4	TOTAL OPERATING REVENUES	<u>1,429,336,645</u>	<u>18,314,783</u>	<u>1,447,651,427</u>	<u>112,459,859</u>	<u>1,560,111,287</u>
5	<u>OPERATING EXPENSES</u>					
6	OPERATION AND MAINTENANCE EXPENSE	847,648,065	36,990,673	884,638,738	355,373	884,994,111
7	DEPRECIATION AND AMORTIZATION	213,189,318	52,991,844	266,181,162		266,181,162
8	REGULATORY DEBITS	-	-	-		-
9	TAXES OTHER THAN INCOME TAXES	38,054,156	5,626,859	43,681,015	224,920	43,905,934
10	TOTAL INCOME TAXES	54,349,362	(28,878,458)	25,470,904	27,913,952	53,384,856
11	INVESTMENT TAX CREDIT	-	-	-		-
12	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	(54,933)	54,933	-		-
13	TOTAL OPERATING EXPENSES	<u>1,153,185,967</u>	<u>66,785,852</u>	<u>1,219,971,819</u>	<u>28,494,245</u>	<u>1,248,466,064</u>
14	NET OPERATING INCOME	<u>276,150,678</u>	<u>(48,471,069)</u>	<u>227,679,608</u>	<u>83,965,614</u>	<u>311,645,223</u>
15	CAPITALIZATION ALLOCATED TO KENTUCKY JURISDICTION	<u>3,676,428,488</u>	<u>401,915,067</u>	<u>4,078,343,555</u>		<u>4,078,343,555</u>
16	RATE OF RETURN ON CAPITALIZATION	<u>7.51%</u>		<u>5.58%</u>		<u>7.64%</u>
17	KENTUCKY JURISDICTION RATE BASE	<u>3,671,000,931</u>	<u>374,497,513</u>	<u>4,045,498,444</u>		<u>4,045,498,444</u>
18	RATE OF RETURN ON RATE BASE	<u>7.52%</u>		<u>5.63%</u>		<u>7.70%</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL ADJUSTED OPERATING INCOME STATEMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018
FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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	<u>OPERATING REVENUES</u>					
2	ELECTRIC SALES REVENUES	1,388,875,818	21,400,027	1,410,275,845	(1,474,827)	1,408,801,019
3	OTHER OPERATING REVENUES	40,460,827	(1,610,418)	38,850,409	-	38,850,409
4	TOTAL OPERATING REVENUES	1,429,336,645	19,789,609	1,449,126,254	(1,474,827)	1,447,651,427
5	<u>OPERATING EXPENSES</u>					
6	<u>OPERATION AND MAINTENANCE EXPENSES:</u>					
7	PRODUCTION EXPENSE	616,869,127	11,234,520	628,103,647	-	628,103,647
8	TRANSMISSION EXPENSE	36,837,553	9,448,217	46,285,770	-	46,285,770
9	DISTRIBUTION EXPENSE	57,691,833	1,231,936	58,923,770	-	58,923,770
10	CUSTOMER ACCOUNTS EXPENSE	32,993,344	4,672,127	37,665,470	-	37,665,470
11	CUSTOMER SERVICE AND INFORMATIONAL EXPENSE	3,157,763	1,465,292	4,623,055	-	4,623,055
12	SALES EXPENSE	935,729	55,402	991,131	(991,131)	-
13	ADMINISTRATIVE AND GENERAL EXPENSE	99,162,716	9,878,501	109,041,217	(4,192)	109,037,026
14	TOTAL OPERATION AND MAINTENANCE EXPENSES	847,648,065	37,985,996	885,634,061	(995,323)	884,638,738
15	DEPRECIATION AND AMORTIZATION	213,189,318	55,764,386	268,953,704	(2,772,542)	266,181,162
16	REGULATORY DEBITS	-	-	-	-	-
17	TAXES OTHER THAN INCOME TAXES	38,054,156	5,626,859	43,681,015	-	43,681,015
18	FEDERAL INCOME TAXES	43,253,925	(23,764,986)	19,488,939	457,461	19,946,400
19	STATE INCOME TAXES	11,095,438	(5,685,585)	5,409,853	114,652	5,524,505
20	INVESTMENT TAX CREDIT	-	-	-	-	-
21	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	(54,933)	54,933	-	-	-
22	TOTAL OPERATING EXPENSES	1,153,185,967	69,981,604	1,223,167,571	(3,195,752)	1,219,971,819
23	NET OPERATING INCOME	276,150,678	(50,191,995)	225,958,683	1,720,925	227,679,608

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FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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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)
			\$		\$	\$	\$	
1		<u>OPERATING REVENUES</u>						
2		<u>SALES OF ELECTRICITY:</u>						
3	440	RESIDENTIAL	651,539,015	94.073%	612,922,653	(56,730,655)	556,191,999	DIRECT ASSIGN
4	442.2	COMMERCIAL	406,728,380	95.498%	388,415,620	(36,638,346)	351,777,275	DIRECT ASSIGN
5	442.3	INDUSTRIAL	387,574,473	97.482%	377,813,895	(25,164,250)	352,649,646	DIRECT ASSIGN
6	444	PUBLIC STREET AND HIGHWAY LIGHTING	12,470,660	97.211%	12,122,883	(968,362)	11,154,521	DIRECT ASSIGN
7	445	OTHER SALES TO PUBLIC AUTHORITIES	130,264,650	94.633%	123,273,667	(10,526,622)	112,747,044	DIRECT ASSIGN
8		TOTAL SALES TO ULTIMATE CONSUMERS	1,588,577,179		1,514,548,719	(130,028,234)	1,384,520,485	
9	447	SALES FOR RESALE	127,653,883	15.543%	19,840,665	(15,485,332)	4,355,333	DIRECT ASSIGN & ENERGY
10	449.1	PROVISION FOR RATE REFUNDS	-	0.000%	-	-	-	DIRECT ASSIGN
11		TOTAL SALES OF ELECTRICITY	1,716,231,062		1,534,389,384	(145,513,566)	1,388,875,818	
12		<u>OTHER OPERATING REVENUES:</u>						
13	450	LATE PAYMENT CHARGES	4,220,470	95.797%	4,043,071	-	4,043,071	DIRECT ASSIGN
14	451	ELECTRIC SERVICE REVENUES	2,356,466	93.589%	2,205,386	-	2,205,386	DIRECT ASSIGN
15	454	RENT FROM ELECTRIC PROPERTY	10,782,767	88.522%	9,545,071	-	9,545,071	DIRECT ASSIGN
16	456	OTHER MISCELLANEOUS REVENUE	26,014,620	94.821%	24,667,299	-	24,667,299	DIRECT ASSIGN & DEMAND
17		TOTAL OTHER OPERATING REVENUES	43,374,323		40,460,827	-	40,460,827	
18		TOTAL OPERATING REVENUES	1,759,605,385		1,574,850,211	(145,513,566)	1,429,336,645	
19		<u>OPERATING EXPENSES</u>						
20		<u>OPERATION AND MAINTENANCE EXPENSES:</u>						
21		<u>STEAM GENERATION:</u>						
22	500	STEAM OPERATION SUPERVISION AND ENGINEERING	7,598,497	88.088%	6,693,366	-	6,693,366	TOTAL STEAM PLANT
23	501	FUEL	356,332,418	88.072%	313,828,901	22,525,728	336,354,629	ENERGY
24	502	STEAM EXPENSES	18,814,306	87.191%	16,404,346	(2,155,024)	14,249,323	TOTAL STEAM PLANT
25	504	STEAM TRANSFERRED-CREDIT	-	87.191%	-	-	-	TOTAL STEAM PLANT

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			TOTAL COMPANY		JURISDICTION	ADJUSTMENTS SCH D-2	JURISDICTIONAL	
			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
26	505	ELECTRIC EXPENSES	8,202,362	87.213%	7,153,526	-	7,153,526	TOTAL STEAM PLANT
27	506	MISC STEAM POWER EXPENSES	26,962,473	87.181%	23,506,270	(10,043,592)	13,462,678	TOTAL STEAM PLANT
28	507	RENTS	11,000	87.151%	9,587	-	9,587	TOTAL STEAM PLANT
29	509	ALLOWANCES	3,467	87.151%	3,022	(3,021)	1	TOTAL STEAM PLANT
30	510	MAINTENANCE SUPERVISION AND ENGINEERING	10,311,337	86.860%	8,956,463	-	8,956,463	TOTAL STEAM PLANT
31	511	MAINTENANCE OF STRUCTURES	10,115,237	86.421%	8,741,685	-	8,741,685	TOTAL STEAM PLANT
32	512	MAINTENANCE OF BOILER PLANT	49,722,917	87.490%	43,502,793	(7,931,694)	35,571,099	ENERGY
33	513	MAINTENANCE OF ELECTRIC PLANT	11,502,852	86.461%	9,945,521	-	9,945,521	ENERGY
34	514	MAINTENANCE OF MISC STEAM PLANT	3,465,917	88.248%	3,058,590	-	3,058,590	TOTAL STEAM PLANT
35		TOTAL STEAM GENERATION	<u>503,042,782</u>		<u>441,804,069</u>	<u>2,392,397</u>	<u>444,196,466</u>	
36		<u>HYDRAULIC GENERATION:</u>						
37	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	87.625%	-	-	-	TOTAL HYDRAULIC PLANT
38	536	WATER FOR POWER	-	87.625%	-	-	-	TOTAL HYDRAULIC PLANT
39	537	HYDRAULIC EXPENSES	-	87.625%	-	-	-	TOTAL HYDRAULIC PLANT
40	538	ELECTRIC EXPENSES	11,464	87.625%	10,045	-	10,045	TOTAL HYDRAULIC PLANT
41	539	MISC HYDRAULIC POWER GENERATION EXPENSES	66,432	87.625%	58,211	-	58,211	TOTAL HYDRAULIC PLANT
42	540	RENTS	-	87.625%	-	-	-	TOTAL HYDRAULIC PLANT
43	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	189,132	87.625%	165,726	-	165,726	TOTAL HYDRAULIC PLANT
44	542	MAINTENANCE OF STRUCTURES	111,964	87.625%	98,108	-	98,108	TOTAL HYDRAULIC PLANT
45	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	87.625%	-	-	-	TOTAL HYDRAULIC PLANT
46	544	MAINTENANCE OF ELECTRIC PLANT	69,262	88.078%	61,004	-	61,004	ENERGY
47	545	MAINTENANCE OF MISC HYDRAULIC PLANT	5,824	87.625%	5,103	-	5,103	TOTAL HYDRAULIC PLANT
48		TOTAL HYDRAULIC GENERATION	<u>454,078</u>		<u>398,197</u>	<u>-</u>	<u>398,197</u>	
49		<u>OTHER GENERATION:</u>						
50	546	OTHER OPERATION SUPERVISION AND ENGINEERING	1,330,902	87.425%	1,163,543	-	1,163,543	TOTAL OTHER PROD PLANT
51	547	OTHER FUEL	140,310,165	88.078%	123,582,240	(3,471,334)	120,110,906	ENERGY
52	548	GENERATION EXPENSES	568,313	87.425%	496,849	-	496,849	TOTAL OTHER PROD PLANT

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
53	549	MISC OTHER POWER GENERATION EXPENSES	4,253,454	87.443%	3,719,357	-	3,719,357	TOTAL OTHER PROD PLANT
54	550	RENTS	17,894	87.425%	15,643	-	15,643	TOTAL OTHER PROD PLANT
55	551	MAINTENANCE SUPERVISION AND ENGINEERING	533,983	87.908%	469,414	-	469,414	TOTAL OTHER PROD PLANT
56	552	MAINTENANCE OF STRUCTURES	1,570,514	90.154%	1,415,885	-	1,415,885	TOTAL OTHER PROD PLANT
57	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	3,242,706	86.253%	2,796,943	-	2,796,943	TOTAL OTHER PROD PLANT
58	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	2,479,922	88.406%	2,192,392	-	2,192,392	TOTAL OTHER PROD PLANT
59		TOTAL OTHER GENERATION	154,307,855		135,852,267	(3,471,334)	132,380,933	
60		<u>OTHER POWER SUPPLY:</u>						
61	555	PURCHASED POWER	44,517,728	88.031%	39,189,505	(1,009,286)	38,180,219	DEMAND AND ENERGY
62	556	SYSTEM CONTROL AND LOAD DISPATCHING	1,802,634	87.844%	1,583,513	-	1,583,513	DEMAND
63	557	OTHER EXPENSES	290,846	87.199%	253,616	(123,818)	129,798	TOTAL PRODUCTION PLANT
64		TOTAL OTHER POWER SUPPLY	46,611,207		41,026,634	(1,133,104)	39,893,530	
65		TOTAL PRODUCTION EXPENSES	704,415,922		619,081,168	(2,212,041)	616,869,127	
66		<u>TRANSMISSION EXPENSES:</u>						
67	560	TRANS OPERATION SUPERVISION AND ENGINEERING	1,584,451	90.071%	1,427,131	-	1,427,131	TOTAL TRANS OPERATIONS LABOR
68	561	LOAD DISPATCHING	3,962,199	90.071%	3,568,793	-	3,568,793	TOTAL TRANSMISSION PLANT
69	562	STATION EXPENSES	1,585,992	90.071%	1,428,520	-	1,428,520	TOTAL TRANSMISSION PLANT
70	563	OVERHEAD LINE EXPENSES	868,590	90.071%	782,348	-	782,348	TOTAL TRANSMISSION PLANT
71	564	UNDERGROUND LINE EXPENSES	-	90.071%	-	-	-	TOTAL TRANSMISSION PLANT
72	565	TRANSMISSION OF ELECTRICITY BY OTHERS	3,281,115	90.071%	2,955,334	(870,169)	2,085,165	TOTAL TRANSMISSION PLANT
73	566	MISC TRANSMISSION EXPENSES	16,112,595	90.071%	14,512,780	-	14,512,780	TOTAL TRANSMISSION PLANT AND DIRECT
74	567	RENTS	166,408	90.071%	149,886	-	149,886	TOTAL TRANSMISSION PLANT
75	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	90.071%	-	-	-	TOTAL TRANSMISSION PLANT
76	569	MAINTENANCE OF STRUCTURES	-	90.071%	-	-	-	TOTAL TRANSMISSION PLANT
77	570	MAINTENANCE OF STATION EQUIPMENT	1,674,303	90.071%	1,508,062	-	1,508,062	TOTAL TRANSMISSION PLANT
78	571	MAINTENANCE OF OVERHEAD LINES	12,304,623	90.133%	11,090,485	-	11,090,485	TOTAL TRANSMISSION PLANT AND DIRECT
79	572	MAINTENANCE OF UNDERGROUND LINES	-	90.071%	-	-	-	TOTAL TRANSMISSION PLANT

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
80	573	MAINTENANCE OF MISC TRANSMISSION PLANT	309,687	90.071%	278,938	-	278,938	TOTAL TRANSMISSION PLANT
81	575	MISO DAY 1 AND 2 EXPENSE	6,047	90.071%	5,446	-	5,446	TOTAL TRANSMISSION PLANT AND DIRECT
82		TOTAL TRANSMISSION EXPENSES	<u>41,856,010</u>		<u>37,707,722</u>	<u>(870,169)</u>	<u>36,837,553</u>	
83		<u>DISTRIBUTION EXPENSES:</u>						
84	580	DISTR OPERATION SUPERVISION AND ENGINEERING	1,783,809	94.762%	1,690,368	-	1,690,368	TOTAL DISTRIBUTION PLANT
85	581	LOAD DISPATCHING	409,376	94.743%	387,856	-	387,856	TOTAL ACCT 360-362 SUBSTATIONS
86	582	STATION EXPENSES	1,859,647	94.743%	1,761,893	-	1,761,893	TOTAL ACCT 360-362 SUBSTATIONS
87	583	OVERHEAD LINE EXPENSES	6,908,833	92.900%	6,418,314	-	6,418,314	TOTAL ACCT 364-365 OVHD LINES
88	584	UNDERGROUND LINE EXPENSES	-	97.811%	-	-	-	TOTAL ACCT 366-367 UG LINES
89	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	96.983%	-	-	-	TOTAL ACCT 373 STREET LIGHTING
90	586	METER EXPENSES	8,090,382	94.631%	7,655,981	-	7,655,981	TOTAL ACCT 370 METERS
91	587	CUSTOMER INSTALLATIONS EXPENSES	205	96.983%	199	-	199	TOTAL ACCT 371 CUSTOMER INSTALL
92	588	MISC DISTRIBUTION EXPENSES	7,524,520	94.762%	7,130,362	-	7,130,362	TOTAL DISTRIBUTION PLANT
93	589	RENTS	-	0.000%	-	-	-	TOTAL DISTRIBUTION PLANT
94	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	24,737	94.762%	23,441	-	23,441	TOTAL DISTRIBUTION PLANT
95	591	MAINTENANCE OF STRUCTURES	-	94.743%	-	-	-	TOTAL ACCT 360-362 SUBSTATIONS
96	592	MAINTENANCE OF STATION EQUIPMENT	1,324,752	94.743%	1,255,115	-	1,255,115	TOTAL ACCT 360-362 SUBSTATIONS
97	593	MAINTENANCE OF OVERHEAD LINES	32,328,267	94.189%	30,449,534	-	30,449,534	TOTAL ACCT 364-365 OVHD LINES
98	594	MAINTENANCE OF UNDERGROUND LINES	416,218	97.811%	407,106	-	407,106	TOTAL ACCT 366-367 UG LINES
99	595	MAINTENANCE OF LINE TRANSFORMERS	152,392	96.542%	147,122	-	147,122	TOTAL ACCT 368 LINE TRANSFORMER
100	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	96.983%	-	-	-	TOTAL ACCT 373 STREET LIGHTING
101	597	MAINTENANCE OF METERS	-	94.631%	-	-	-	TOTAL ACCT 370 METERS
102	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	384,692	94.762%	364,541	-	364,541	TOTAL DISTRIBUTION PLANT
103		TOTAL DISTRIBUTION EXPENSES	<u>61,207,832</u>		<u>57,691,833</u>	-	<u>57,691,833</u>	
104		<u>CUSTOMER ACCOUNTS EXPENSES:</u>						
105	901	CUSTOMER ACCTS SUPERVISION	4,040,832	94.943%	3,836,507	-	3,836,507	TOTAL CUSTOMER ACCTS LABOR
106	902	METER READING EXPENSES	5,473,575	94.943%	5,196,804	-	5,196,804	CUSTOMERS

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
107	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	20,022,150	94.943%	19,009,729	-	19,009,729	CUSTOMERS
108	904	UNCOLLECTIBLE ACCOUNTS	5,185,953	94.943%	4,923,725	-	4,923,725	CUSTOMERS
109	905	MISC CUSTOMER ACCOUNTS EXPENSE	<u>27,995</u>	94.943%	<u>26,580</u>	-	<u>26,580</u>	TOTAL ACCT 902-904 CUST ACCTS
110		TOTAL CUSTOMER ACCOUNTS EXPENSES	<u>34,750,506</u>		<u>32,993,344</u>	-	<u>32,993,344</u>	
111		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES:</u>						
112	907	CUSTOMER SERVICE AND INFO SUPERVISION	613,538	99.486%	610,383	-	610,383	TOTAL CUSTOMER SERVICE LABOR
113	908	CUSTOMER ASSISTANCE EXPENSES	14,097,081	100.000%	14,097,081	(13,591,906)	505,175	DIRECT ASSIGN
114	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	696,095	94.947%	660,923	-	660,923	CUSTOMERS
115	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	<u>1,384,574</u>	99.762%	<u>1,381,282</u>	-	<u>1,381,282</u>	TOTAL ACCT 908-909 CUST SERV
116		TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	<u>16,791,288</u>		<u>16,749,669</u>	<u>(13,591,906)</u>	<u>3,157,763</u>	
117		<u>SALES EXPENSES:</u>						
118	911	SALES SUPERVISION	-	99.486%	-	-	-	TOTAL SALES EXP LABOR
119	912	DEMONSTRATING AND SELLING EXPENSES	-	94.947%	-	-	-	CUSTOMERS
120	913	ADVERTISING EXPENSES	985,525	94.947%	935,729	-	935,729	CUSTOMERS
121	916	MISC SALES EXPENSES	<u>-</u>	94.947%	<u>-</u>	-	<u>-</u>	TOTAL ACCT 912-913 SALES EXP
122		TOTAL SALES EXPENSES	<u>985,525</u>		<u>935,729</u>	-	<u>935,729</u>	
123		<u>ADMINISTRATIVE AND GENERAL EXPENSES:</u>						
124	920	ADMINISTRATIVE AND GENERAL SALARIES	35,045,518	90.512%	31,720,540	-	31,720,540	LABOR
125	921	OFFICE SUPPLIES AND EXPENSES	10,132,678	90.512%	9,171,330	-	9,171,330	LABOR
126	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	(5,755,400)	90.512%	(5,209,351)	-	(5,209,351)	LABOR
127	923	OUTSIDE SERVICES	17,866,696	90.512%	16,171,576	-	16,171,576	LABOR
128	924	PROPERTY INSURANCE	5,507,108	89.082%	4,905,839	-	4,905,839	TOTAL PLANT
129	925	INJURIES AND DAMAGES	5,451,515	90.514%	4,934,409	-	4,934,409	LABOR
130	926	EMPLOYEE PENSION AND BENEFITS	30,251,248	88.766%	26,852,925	-	26,852,925	LABOR
131	927	FRANCHISE REQUIREMENTS	4,152	0.000%	-	-	-	DIRECT ASSIGN
132	928	REGULATORY COMMISSION EXPENSES	1,969,804	92.069%	1,813,571	-	1,813,571	DIRECT ASSIGN AND ENERGY

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			(1)	(2)	(3)	(4)	(5)	(6)
			\$		\$	\$	\$	
133	929	DUPLICATE CHARGES--CREDIT	(4,152)	0.000%	-	-	-	DIRECT ASSIGN
134	930.1	GENERAL ADVERTISING EXPENSES	30,509	95.082%	29,009	-	29,009	ENERGY
135	930.2	MISC GENERAL EXPENSES	4,946,118	90.709%	4,486,569	-	4,486,569	LABOR
136	931	RENTS	3,105,459	90.512%	2,810,825	-	2,810,825	LABOR
137	935	MAINTENANCE OF GENERAL PLANT	1,630,133	90.512%	1,475,473	-	1,475,473	LABOR
138		TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	<u>110,181,387</u>		<u>99,162,716</u>	-	<u>99,162,716</u>	
139		TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>970,188,470</u>		<u>864,322,181</u>	<u>(16,674,116)</u>	<u>847,648,065</u>	
140	403-404	DEPRECIATION AND AMORTIZATION	273,237,492	88.923%	242,969,700	(29,780,382)	213,189,318	FUNCTIONAL PLANT
141	407.3	REGULATORY DEBITS	5,173,651	65.687%	3,398,402	(3,398,402)	-	DIRECT ASSIGN
142	408	TAXES OTHER THAN INCOME TAXES	43,930,185	90.501%	39,757,397	(1,703,242)	38,054,156	DIRECT ASSIGN, NET PLANT, PLANT, LABOR
143	409-411	FEDERAL INCOME TAXES	63,584,515	91.111%	57,932,640	(14,678,716)	43,253,925	CALCULATED
144	409-411	STATE INCOME TAXES	16,428,713	90.534%	14,873,653	(3,778,215)	11,095,438	CALCULATED
145	411.4	INVESTMENT TAX CREDIT	-	88.725%	-	-	-	CALCULATED
146	411.8	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	<u>(62,535)</u>	87.844%	<u>(54,933)</u>	-	<u>(54,933)</u>	DEMAND
147		TOTAL OPERATING EXPENSES	<u>1,372,480,491</u>		<u>1,223,199,040</u>	<u>(70,013,073)</u>	<u>1,153,185,967</u>	
148		NET OPERATING INCOME	<u>387,124,894</u>		<u>351,651,171</u>	<u>(75,500,493)</u>	<u>276,150,678</u>	

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPARISON OF TOTAL COMPANY ACTIVITY
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

SCHEDULE C-2.2
SHEET 1 OF 4

DATA: __X__BASE PERIOD ____FORECASTED PERIOD
TYPE OF FILING: ____ORIGINAL __X__UPDATED __X__REVISED
WORKPAPER REFERENCE NO(S):

WITNESS: C. M. GARRETT

Line No.	Acct No.	Account Description	Actual Jan-18	Actual Feb-18	Actual Mar-18	Actual Apr-18	Actual May-18	Actual Jun-18	Actual Jul-18	Actual Aug-18	Actual Sep-18	Actual Oct-18	Actual Nov-18	Actual Dec-18	TOTAL
1	403	DEPRECIATION EXPENSE	21,022,091	21,087,457	21,090,168	21,116,391	21,148,700	21,198,829	21,244,315	21,271,077	21,311,228	21,377,996	21,429,555	21,561,035	254,858,841
2	404	AMORTIZATION EXPENSE	1,524,601	1,557,028	1,549,844	1,546,565	1,543,610	1,534,844	1,519,384	1,524,956	1,526,644	1,505,151	1,504,460	1,541,564	18,378,651
3	4073	REGULATORY DEBITS-ARO PONDS	200,947	218,412	213,615	338,806	291,267	430,320	459,400	524,961	563,433	617,023	640,256	675,210	5,173,651
4	4081	TAXES OTHER THAN INCOME TAXES	3,700,510	3,631,246	3,882,101	3,705,626	3,610,158	3,715,986	3,750,783	3,798,892	3,669,617	3,627,879	3,503,511	3,333,877	43,930,185
5	4118	LOSS/(GAIN) FROM DISPOSITION OF ALLOWANCES	-	(10,563)	(89)	(5,485)	-	(11,675)	-	-	(6,888)	(15,149)	(12,686)	-	(62,535)
6	440	RESIDENTIAL REVENUE	(87,113,496)	(49,433,625)	(55,689,440)	(42,356,090)	(49,755,190)	(50,260,247)	(55,568,329)	(54,823,719)	(46,431,901)	(41,741,071)	(54,597,696)	(63,768,212)	(651,539,015)
7	4422	COMMERCIAL REVENUE	(36,847,475)	(31,062,022)	(31,882,786)	(29,665,403)	(34,067,399)	(36,039,571)	(35,953,989)	(37,403,533)	(34,525,190)	(32,301,955)	(32,558,793)	(34,420,266)	(406,728,380)
8	4423	INDUSTRIAL REVENUE	(33,375,624)	(32,150,221)	(30,840,988)	(31,203,141)	(33,219,585)	(32,875,218)	(32,198,465)	(33,225,018)	(33,911,869)	(31,807,117)	(32,340,397)	(30,426,829)	(387,574,473)
9	444	PUBLIC STREET AND HIGHWAY LIGHTING REVENUE	(1,002,487)	(832,698)	(1,181,141)	(904,580)	(1,015,843)	(1,018,701)	(1,018,693)	(1,110,575)	(1,089,711)	(1,155,205)	(1,185,367)	(955,659)	(12,470,660)
10	445	OTHER SALES TO PUBLIC AUTHORITIES REVENUE	(11,466,993)	(10,608,731)	(10,269,415)	(9,785,440)	(10,817,844)	(11,484,475)	(10,726,880)	(11,709,749)	(11,540,138)	(10,907,489)	(10,670,898)	(10,276,597)	(130,264,650)
11	447	SALES FOR RESALE REVENUE	(17,572,280)	(9,862,999)	(8,088,383)	(8,625,762)	(10,272,741)	(11,503,772)	(11,320,922)	(10,479,405)	(11,892,271)	(10,253,825)	(8,917,241)	(8,864,283)	(127,653,883)
12	449	PROVISION FOR REFUND REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-
13	450	FORFEITED DISCOUNTS	(477,241)	(697,703)	(308,848)	(252,019)	(324,855)	(250,731)	(379,544)	(467,637)	(246,562)	(341,659)	(216,673)	(256,999)	(4,220,470)
14	451	ELECTRIC SERVICE REVENUE	(120,185)	(185,650)	(221,778)	(250,525)	(247,872)	(197,759)	(172,606)	(244,412)	(229,069)	(193,717)	(229,069)	(132,180)	(2,356,466)
15	454	RENT FROM ELECTRIC PROPERTY	(882,896)	(971,211)	(858,670)	(854,650)	(874,220)	(886,259)	(968,180)	(880,706)	(863,945)	(914,994)	(910,172)	(916,866)	(10,782,767)
16	456	OTHER MISCELLANEOUS REVENUE	(2,804,289)	(1,964,842)	(1,776,599)	(1,744,018)	(1,944,586)	(2,177,391)	(2,246,658)	(2,263,890)	(2,325,799)	(3,747,651)	(872,722)	(2,146,106)	(26,014,620)
17	500	STEAM OPERATION SUPERVISION AND ENGINEERING	654,727	638,347	655,722	640,808	646,745	618,679	564,165	701,822	579,044	683,826	595,378	619,236	7,598,497
18	501	FUEL	39,495,594	28,511,317	25,939,505	22,627,050	29,568,753	33,608,853	32,551,642	31,955,071	28,107,623	28,238,553	30,812,039	25,216,419	356,332,418
19	502	STEAM EXPENSES	1,862,595	1,556,390	1,822,843	1,446,637	1,554,059	1,616,566	1,623,971	1,817,856	1,401,821	1,347,612	1,433,995	1,329,960	18,814,306
20	504	STEAM TRANSFERRED-CREDIT	-	-	-	-	-	-	-	-	-	-	-	-	-
21	505	ELECTRIC EXPENSES	614,450	543,079	644,639	610,643	654,499	626,238	663,724	723,126	812,273	690,617	674,090	944,985	8,202,362
22	506	MISC STEAM POWER EXPENSES	2,704,449	2,001,974	1,726,870	1,881,492	2,171,382	3,054,173	2,507,884	2,623,580	2,194,332	2,156,139	2,144,283	1,795,913	26,962,473
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	11,000
24	509	ALLOWANCES	294	170	286	325	339	302	330	339	264	370	284	163	3,467
25	510	MAINTENANCE SUPERVISION AND ENGINEERING	746,404	690,253	1,050,198	846,801	837,687	1,004,894	683,314	772,285	724,215	1,361,778	827,895	765,615	10,311,337
26	511	MAINTENANCE OF STRUCTURES	657,990	554,046	599,916	586,798	802,050	1,014,508	1,013,078	1,073,965	1,080,641	756,319	653,680	1,322,246	10,115,237
27	512	MAINTENANCE OF BOILER PLANT	2,604,284	2,660,231	6,235,162	7,297,846	3,457,849	2,960,533	3,079,837	3,244,321	3,934,996	5,268,235	5,221,074	3,758,549	49,722,917
28	513	MAINTENANCE OF ELECTRIC PLANT	421,128	593,950	1,795,785	2,201,683	613,420	344,351	414,986	787,898	671,969	1,316,853	1,490,360	850,469	11,502,852
29	514	MAINTENANCE OF MISC STEAM PLANT	196,666	244,952	329,821	241,134	227,832	331,263	225,029	270,511	324,309	372,810	504,768	196,822	3,465,917
30	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	-	-	-	-	-	-	-
31	536	WATER FOR POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
32	537	HYDRAULIC EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
33	538	ELECTRIC EXPENSES	-	-	-	-	-	-	-	-	-	11,464	-	-	11,464
34	539	MISC HYDRAULIC POWER GENERATION EXPENSES	150	150	150	43,730	150	150	9,900	150	11,426	159	159	159	66,432
35	540	RENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
36	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	12,476	10,237	13,379	17,921	19,104	12,787	15,467	20,310	18,054	19,528	16,253	13,617	189,132
37	542	MAINTENANCE OF STRUCTURES	4,798	4,560	4,805	19,640	12,054	9,316	12,607	13,734	8,149	9,302	6,407	6,590	111,964
38	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	-	-	-	-	-	-	-	-	-	-	-	-
39	544	MAINTENANCE OF ELECTRIC PLANT	8,420	3,079	4,519	2,106	2,617	7,135	4,053	4,333	6,360	11,318	4,150	11,173	69,262
40	545	MAINTENANCE OF MISC HYDRAULIC PLANT	691	591	616	280	541	176	298	1,369	432	402	106	321	5,824
41	546	OTHER OPERATION SUPERVISION AND ENGINEERING	115,145	100,882	152,717	116,058	103,890	119,294	99,581	118,255	97,499	116,036	101,462	90,083	1,330,902
42	547	OTHER FUEL	20,680,714	9,661,480	12,272,936	12,814,603	11,076,464	8,199,478	9,930,207	10,991,086	10,551,278	7,704,560	12,010,963	14,416,397	140,310,165
43	548	GENERATION EXPENSES	58,816	41,308	48,590	38,778	51,022	56,629	43,824	50,758	51,023	49,091	32,959	45,517	568,313
44	549	MISC OTHER POWER GENERATION EXPENSES	307,609	355,066	298,528	296,778	319,940	369,256	360,986	389,057	401,365	336,485	376,653	441,731	4,253,454
45	550	RENTS	1,770	2,154	1,511	1,563	1,553	1,563	1,648	1,648	1,648	1,691	623	605	17,894
46	551	MAINTENANCE SUPERVISION AND ENGINEERING	39,542	39,615	42,897	42,774	44,972	57,229	36,211	44,814	41,764	72,553	34,039	37,572	533,983
47	552	MAINTENANCE OF STRUCTURES	47,609	52,848	97,301	96,015	64,373	88,180	96,912	78,378	91,755	552,198	149,525	155,419	1,570,514
48	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	195,387	218,757	246,489	214,124	480,273	(52,795)	178,028	413,753	266,974	586,393	215,169	280,155	3,242,706
49	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	145,695	258,966	176,804	184,233	211,531	(201,931)	228,220	185,382	171,168	671,344	289,160	159,350	2,479,922
50	555	PURCHASED POWER	6,945,075	3,510,512	5,493,160	3,084,301	2,423,306	2,454,692	2,578,419	2,541,356	2,814,550	3,012,041	2,779,213	6,881,102	44,517,728
51	556	SYSTEM CONTROL AND LOAD DISPATCHING	174,214	153,250	166,159	144,106	138,457	119,283	141,695	151,022	145,917	163,257	149,173	156,100	1,802,634
52	557	OTHER EXPENSES	89,684	931	36,740	17,472	24,425	17,166	19,236	16,665	22,077	18,525	14,643	13,283	290,846
53	560	TRANS OPERATION SUPERVISION AND ENGINEERING	126,800	123,570	160,896	125,358	137,806	127,462	128,479	140,694	126,531	142,531	123,417	121,106	1,584,451
54	561	LOAD DISPATCHING	327,964	297,412	336,541	354,076	341,036	289,234	272,001	350,011	316,697	394,255	314,766	368,206	3,962,199
55	562	STATION EXPENSES	65,876	114,987	120,484	166,534	248,959	201,420	133,244	118,673	139,714	106,494	88,141	81,466	1,585,992
56	563	OVERHEAD LINE EXPENSES	30,156	37,100	62,648	57,967	77,202	69,206	120,894	42,249	82,359	61,158	169,736	57,914	868,590
57	564	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
58	565	TRANSMISSION OF ELECTRICITY BY OTHERS	296,336	272,993	259,885	283,152	280,447	264,764	276,821	252,943	294,912	290,723	267,870	240,270	3,281,115
59	566	MISC TRANSMISSION EXPENSES	1,366,437	1,276,384	1,110,391	1,359,964	1,061,800	1,357,825	1,082,931	1,164,103	1,909,926	1,493,392	1,427,514	1,501,929	16,112,595
60	567	RENTS	120,133	2,563	5,679	2,563	5,574	6,200	5,059	2,563	5,831	3,838	3,844	2,563	166,408
61	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	-	-	-	-	-	-	-
62	569	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
63	570	MAINTENANCE OF STATION EQUIPMENT	54,578	217,891	78,152	98,644	136,135	124,490	169,823	142,726	123,540	182,203	176,972	169,148	1,674,303

KENTUCKY UTILITIES COMPANY
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BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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WORKPAPER REFERENCE NO(S):

SCHEDULE C-2.2
SHEET 2 OF 4

WITNESS: C. M. GARRETT

Line No.	Acct No.	Account Description	Actual Jan-18	Actual Feb-18	Actual Mar-18	Actual Apr-18	Actual May-18	Actual Jun-18	Actual Jul-18	Actual Aug-18	Actual Sep-18	Actual Oct-18	Actual Nov-18	Actual Dec-18	TOTAL
64	571	MAINTENANCE OF OVERHEAD LINES	722,980	827,142	1,026,958	407,583	1,476,481	2,266,487	1,486,573	780,536	598,353	845,003	1,354,452	512,076	12,304,623
65	572	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	-	-	-	-	-	-	-	-
66	573	MAINTENANCE OF MISC TRANSMISSION PLANT	10,452	16,116	17,693	24,459	20,558	45,606	37,343	54,307	14,147	12,864	23,279	32,862	309,687
67	575	MISO DAY 1 AND 2 EXPENSE	294	69	21	622	101	441	891	294	504	954	1,428	427	6,047
68	580	DISTR OPERATION SUPERVISION AND ENGINEERING	113,651	108,477	135,157	138,809	118,675	143,362	547,433	294,359	140,276	102,117	257,384	(315,893)	1,783,809
69	581	LOAD DISPATCHING	35,324	36,253	28,909	36,481	39,216	37,684	37,147	39,515	25,216	30,805	30,764	32,062	409,376
70	582	STATION EXPENSES	161,728	158,440	128,084	175,188	167,577	146,322	163,497	186,759	143,046	136,493	132,344	160,169	1,859,647
71	583	OVERHEAD LINE EXPENSES	495,093	519,384	580,564	514,526	667,075	623,609	586,326	707,636	648,469	541,599	598,875	425,676	6,908,833
72	584	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
73	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
74	586	METER EXPENSES	704,206	589,491	724,736	706,748	642,453	712,078	712,348	751,780	633,522	721,685	515,777	675,557	8,090,382
75	587	CUSTOMER INSTALLATIONS EXPENSES	-	-	144	-	61	-	-	-	-	-	-	-	205
76	588	MISC DISTRIBUTION EXPENSES	700,427	608,967	551,566	703,629	589,993	597,439	589,353	587,552	557,490	660,434	530,211	847,458	7,524,520
77	589	RENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
78	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	282	468	2,001	3,489	2,490	2,529	9,616	4,000	642	158	1,871	(2,810)	24,737
79	591	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
80	592	MAINTENANCE OF STATION EQUIPMENT	103,995	91,374	109,964	61,428	67,851	69,991	141,384	148,761	107,634	184,729	122,204	115,435	1,324,752
81	593	MAINTENANCE OF OVERHEAD LINES	1,933,188	2,258,123	2,517,054	2,469,774	2,458,169	2,949,664	6,592,804	3,446,258	2,824,906	2,590,397	3,198,660	(910,728)	32,328,267
82	594	MAINTENANCE OF UNDERGROUND LINES	45,092	33,570	28,444	36,336	26,109	37,872	30,279	33,373	43,074	36,437	34,836	30,796	416,218
83	595	MAINTENANCE OF LINE TRANSFORMERS	4,704	46,623	7,567	11,265	1,814	20,570	14,320	15,285	18,508	7,587	1,519	2,630	152,392
84	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	-	-	-	-	-	-	-	-	-	-	-	-
85	597	MAINTENANCE OF METERS	-	-	-	-	-	-	-	-	-	-	-	-	-
86	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	23,378	23,717	30,264	34,721	25,557	30,790	30,030	83,299	85,524	35,112	31,343	(49,044)	384,692
87	901	CUSTOMER ACCTS SUPERVISION	350,786	322,402	354,781	337,400	364,270	326,586	318,700	367,837	302,217	377,304	311,123	307,426	4,040,832
88	902	METER READING EXPENSES	416,800	446,667	418,348	467,136	482,259	432,059	462,129	491,867	426,111	472,562	490,630	467,008	5,473,575
89	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	1,530,686	1,541,920	1,741,329	1,562,765	1,666,439	1,619,508	1,573,917	1,865,851	1,589,235	1,842,451	1,667,756	1,820,293	20,022,150
90	904	UNCOLLECTIBLE ACCOUNTS	483,920	209,138	131,320	180,611	(1,437)	307,041	956,977	1,029,565	810,277	689,505	162,246	226,790	5,185,953
91	905	MISC CUSTOMER ACCOUNTS EXPENSE	117	107	133	114	25	-	-	-	-	-	-	27,500	27,995
92	907	CUSTOMER SERVICE AND INFO SUPERVISION	46,519	48,043	48,897	47,618	52,374	48,986	47,465	54,132	43,576	62,378	56,662	56,889	613,538
93	908	CUSTOMER ASSISTANCE EXPENSES	1,254,882	760,217	1,337,422	1,070,074	1,306,851	1,396,779	1,142,853	1,444,518	1,269,747	996,587	964,902	1,152,248	14,097,081
94	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	9,320	43,240	118,385	47,661	41,069	29,583	21,705	34,523	49,149	7,384	114,702	179,375	696,095
95	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	127,798	95,510	82,736	102,474	97,924	111,749	136,683	107,919	168,266	102,991	119,990	130,534	1,384,574
96	911	SALES SUPERVISION	-	-	-	-	-	-	-	-	-	-	-	-	-
97	912	DEMONSTRATING AND SELLING EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
98	913	ADVERTISING EXPENSES	55,438	103,933	97,002	71,587	53,795	76,731	19,738	25,234	101,809	184,569	123,233	72,456	985,525
99	916	MISC SALES EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
100	920	ADMINISTRATIVE AND GENERAL SALARIES	3,205,400	2,910,280	3,163,820	2,826,885	2,986,123	2,851,177	2,841,829	2,967,985	2,604,331	3,159,942	2,667,396	2,860,351	35,045,518
101	921	OFFICE SUPPLIES AND EXPENSES	863,477	618,525	766,091	752,756	757,349	783,745	723,541	812,777	784,769	766,367	607,060	1,896,223	10,132,678
102	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	(486,106)	(469,619)	(519,046)	(471,554)	(483,307)	(463,641)	(436,248)	(486,461)	(424,193)	(491,684)	(442,784)	(580,756)	(5,755,400)
103	923	OUTSIDE SERVICES	1,058,048	1,260,652	1,606,436	1,226,901	1,915,706	1,713,084	1,171,779	1,469,776	1,258,323	1,390,866	1,810,446	1,984,679	17,866,696
104	924	PROPERTY INSURANCE	515,834	490,831	432,829	554,555	433,180	433,180	468,020	432,688	433,993	467,023	410,970	434,005	5,507,108
105	925	INJURIES AND DAMAGES	374,260	370,907	279,846	387,009	304,987	302,460	365,369	350,802	121,684	2,045,304	210,102	338,785	5,451,515
106	926	EMPLOYEE PENSION AND BENEFITS	3,242,472	2,873,309	1,910,824	3,983,144	2,769,834	1,864,077	3,460,666	2,889,640	1,804,680	3,542,440	2,317,618	(407,544)	30,251,248
107	927	FRANCHISE REQUIREMENTS	350	350	350	344	341	344	345	345	345	345	345	345	4,152
108	928	REGULATORY COMMISSION EXPENSES	143,591	150,225	375,074	150,908	167,818	191,619	90,088	136,524	136,524	145,824	140,803	140,803	1,969,804
109	929	DUPLICATE CHARGES--CREDIT	(350)	(350)	(350)	(344)	(341)	(344)	(345)	(345)	(345)	(345)	(345)	(345)	(4,152)
110	9301	GENERAL ADVERTISING EXPENSES	-	-	30,509	-	-	-	-	-	-	-	-	-	30,509
111	9302	MISC GENERAL EXPENSES	497,205	405,257	357,576	398,244	393,409	509,728	416,364	309,672	313,400	415,268	391,233	538,764	4,946,118
112	931	RENTS	257,238	250,404	272,351	311,928	200,849	261,507	283,512	228,357	272,818	280,514	261,269	224,712	3,105,459
113	935	MAINTENANCE OF GENERAL PLANT	147,380	120,785	136,545	143,099	132,851	157,908	108,720	127,380	122,556	157,366	117,506	158,039	1,630,133
114		OPERATING (INCOME) LOSS	(64,889,303)	(38,662,181)	(33,356,350)	(21,498,392)	(38,200,806)	(40,308,942)	(39,452,811)	(42,486,654)	(40,393,049)	(25,558,745)	(32,916,076)	(49,414,812)	(467,138,122)

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294

BASE PERIOD : FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECASTED PERIOD : FOR THE 12 MONTHS ENDED APRIL 30, 2020

<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. 2018-00294

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

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

SCHEDULE D-1

PAGE 1 OF 8

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		<u>SALES OF ELECTRICITY:</u>						
3	440	RESIDENTIAL	556,191,999	(3,269,582)	552,922,417	-	552,922,417	Variance reflects elimination of the TCJA surcredit, billing determinants adjusted for normal weather and changes in base fuel.
4	442.2	COMMERCIAL	351,777,275	(4,029,968)	347,747,307	-	347,747,307	Variance reflects elimination of the TCJA surcredit, billing determinants adjusted for normal weather and changes in base fuel.
5	442.3	INDUSTRIAL	352,649,646	29,147,275	381,796,920	-	381,796,920	Variance reflects elimination of the TCJA surcredit and changes in billing determinants and base fuel.
6	444	PUBLIC STREET AND HIGHWAY LIGHTING	11,154,521	437,075	11,591,596	-	11,591,596	Variance reflects elimination of the TCJA surcredit and changes in billing determinants and base fuel.
7	445	OTHER SALES TO PUBLIC AUTHORITIES	<u>112,747,044</u>	<u>(3,434,078)</u>	<u>109,312,966</u>	-	<u>109,312,966</u>	Variance reflects elimination of the TCJA surcredit, billing determinants adjusted for normal weather and changes in base fuel.
8		TOTAL SALES TO ULTIMATE CONSUMERS	1,384,520,485	18,850,722	1,403,371,207	-	1,403,371,207	
9	447	SALES FOR RESALE	4,355,333	2,549,305	6,904,638	(1,474,827)	5,429,812	Variance is driven by higher intercompany sales to LG&E offset by the ECR off-system sales revenue proforma adjustment.
10	449.1	PROVISION FOR RATE REFUNDS	-	-	-	-	-	
11		TOTAL SALES OF ELECTRICITY	<u>1,388,875,818</u>	<u>21,400,027</u>	<u>1,410,275,845</u>	<u>(1,474,827)</u>	<u>1,408,801,019</u>	
12		<u>OTHER OPERATING REVENUES:</u>						
13	450	LATE PAYMENT CHARGES	4,043,071	(239,254)	3,803,817	-	3,803,817	Variance reflects trend in this account and is based on a historic average.
14	451	ELECTRIC SERVICE REVENUES	2,205,386	(36,053)	2,169,334	-	2,169,334	Variance reflects trend in this account and is based on a historic average.
15	454	RENT FROM ELECTRIC PROPERTY	9,545,071	478,262	10,023,333	-	10,023,333	Variance primarily due to an increase in jurisdictional factor for refined coal revenues in Forecasted Period as a result of municipals' departure.
16	456	OTHER MISCELLANEOUS REVENUE	<u>24,667,299</u>	<u>(1,813,374)</u>	<u>22,853,925</u>	-	<u>22,853,925</u>	Variance reflects decrease in transmission revenues primarily due to the TCJA.
17		TOTAL OTHER OPERATING REVENUES	<u>40,460,827</u>	<u>(1,610,418)</u>	<u>38,850,409</u>	-	<u>38,850,409</u>	
18		TOTAL OPERATING REVENUES	<u>1,429,336,645</u>	<u>19,789,609</u>	<u>1,449,126,254</u>	<u>(1,474,827)</u>	<u>1,447,651,427</u>	

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

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

SCHEDULE D-1

PAGE 2 OF 8

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)
			\$	\$	\$	\$	\$	
19		OPERATING EXPENSES						
20		OPERATION AND MAINTENANCE EXPENSES:						
21		STEAM GENERATION:						
22	500	STEAM OPERATION SUPERVISION AND ENGINEERING	6,693,366	2,045,839	8,739,205	-	8,739,205	Increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure. Increase in labor in the Forecasted Period due to labor charged to capital projects in the Base Period.
23	501	FUEL	336,354,629	(18,981,577)	317,373,052	-	317,373,052	Variance reflects changes in the sales to ultimate customers and sales for resale.
24	502	STEAM EXPENSES	14,249,323	3,415,397	17,664,720	-	17,664,720	Increase due to process water system operations and chemicals in Forecasted Period and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
25	504	STEAM TRANSFERRED-CREDIT	-	-	-	-	-	
26	505	ELECTRIC EXPENSES	7,153,526	1,046,739	8,200,265	-	8,200,265	Increase due to higher circulating water treatment chemicals and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
27	506	MISC STEAM POWER EXPENSES	13,462,678	801,153	14,263,830	-	14,263,830	Increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
28	507	RENTS	9,587	(9,587)	-	-	-	Item not budgeted in Forecasted Period due to immateriality.
29	509	ALLOWANCES	1	(1)	-	-	-	
30	510	MAINTENANCE SUPERVISION AND ENGINEERING	8,956,463	595,737	9,552,200	-	9,552,200	Increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
31	511	MAINTENANCE OF STRUCTURES	8,741,685	(1,944,850)	6,796,835	-	6,796,835	Decrease due to lower building and grounds maintenance in Forecasted Period partially offset by an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
32	512	MAINTENANCE OF BOILER PLANT	35,571,099	5,857,091	41,428,190	-	41,428,190	Increase due to process water system maintenance in Forecasted Period and not in the Base Period, reset in eight year average of major planned generator overhauls in Forecasted Period, higher labor, higher coal system pulverizer maintenance, and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
33	513	MAINTENANCE OF ELECTRIC PLANT	9,945,521	(774,847)	9,170,674	-	9,170,674	Increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure offset by decrease in eight year average of major planned turbine overhauls in Forecasted Period.
34	514	MAINTENANCE OF MISC STEAM PLANT	3,058,590	(520,123)	2,538,467	-	2,538,467	Decrease due to lower maintenance on coal handling equipment and cooling tower partially offset by increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
35		TOTAL STEAM GENERATION	444,196,466	(8,469,027)	435,727,439	-	435,727,439	

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: X _BASE PERIOD X _FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED X REVISED
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)
			\$	\$	\$	\$	\$	
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	10,045	(10,045)	-	-	-	- Item not budgeted in Forecasted Period due to immateriality.
41	539	MISC HYDRAULIC POWER GENERATION EXPENSES	58,211	(48,736)	9,475	-	9,475	Customary changes in the ordinary course of business.
42	540	RENTS	-	-	-	-	-	
43	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	165,726	46,736	212,462	-	212,462	Customary changes in the ordinary course of business.
44	542	MAINTENANCE OF STRUCTURES	98,108	112,895	211,003	-	211,003	Increase due to Dix Dam structural inspection included in Forecasted Period.
45	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	31,780	31,780	-	31,780	Customary changes in the ordinary course of business.
46	544	MAINTENANCE OF ELECTRIC PLANT	61,004	(19,483)	41,521	-	41,521	Customary changes in the ordinary course of business.
47	545	MAINTENANCE OF MISC HYDRAULIC PLANT	5,103	5,339	10,442	-	10,442	Customary changes in the ordinary course of business.
48		TOTAL HYDRAULIC GENERATION	398,197	118,486	516,683	-	516,683	
49		<u>OTHER GENERATION:</u>						
50	546	OTHER OPERATION SUPERVISION AND ENGINEERING	1,163,543	60,529	1,224,072	-	1,224,072	Customary changes in the ordinary course of business.
51	547	OTHER FUEL	120,110,906	(1,972,828)	118,138,078	-	118,138,078	Variance reflects changes in the sales to ultimate customers and sales for resale.
52	548	GENERATION EXPENSES	496,849	94,305	591,153	-	591,153	Customary changes in the ordinary course of business.
53	549	MISC OTHER POWER GENERATION EXPENSES	3,719,357	601,841	4,321,198	-	4,321,198	Increase due to higher third party contractor support and an increase in the Forecasted Period jurisdictional factor as a result of the municipalities' departure.
54	550	RENTS	15,643	(6,277)	9,367	-	9,367	Customary changes in the ordinary course of business.
55	551	MAINTENANCE SUPERVISION AND ENGINEERING	469,414	(72,356)	397,058	-	397,058	Customary changes in the ordinary course of business.
56	552	MAINTENANCE OF STRUCTURES	1,415,885	(712,533)	703,352	-	703,352	Decrease due to reset in eight year average of major planned overhauls in Forecasted Period. Eight-year average is higher in total but is FERC account specific causing the decrease in this account.
57	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	2,796,943	2,570,922	5,367,864	-	5,367,864	Increase due to reset in eight year average of major planned overhauls in Forecasted Period and an increase in the Forecasted Period jurisdictional factor as a result of the municipalities' departure.
58	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	2,192,392	3,330,982	5,523,375	-	5,523,375	Increase due to reset in eight-year average of major planned overhauls in the Forecasted Period, Cane Run 7 non-recurring warranty claims in the Base Period and an increase in the Forecasted Period and an increase jurisdictional factor as a result of the municipalities' departure.
59		TOTAL OTHER GENERATION	132,380,933	3,894,584	136,275,517	-	136,275,517	

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED X 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)
			\$	\$	\$	\$	\$	
60		<u>OTHER POWER SUPPLY:</u>						
61	555	PURCHASED POWER	38,180,219	15,545,957	53,726,176	-	53,726,176	Primarily due to higher intercompany purchased power, higher OVEC costs, and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
62	556	SYSTEM CONTROL AND LOAD DISPATCHING	1,583,513	134,075	1,717,588	-	1,717,588	Increase due to an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
63	557	OTHER EXPENSES	129,798	10,446	140,244	-	140,244	Customary changes in the ordinary course of business.
64		TOTAL OTHER POWER SUPPLY	39,893,530	15,690,478	55,584,008	-	55,584,008	
65		TOTAL PRODUCTION EXPENSES	616,869,127	11,234,520	628,103,647	-	628,103,647	
66		<u>TRANSMISSION EXPENSES:</u>						
67	560	TRANS OPERATION SUPERVISION AND ENGINEERING	1,427,131	327,435	1,754,566	-	1,754,566	Higher labor in the Forecasted Period due to labor charged to capital projects based on actual work performed in the Base Period. Higher GIS Spatial Record software expense in the Forecasted Period.
68	561	LOAD DISPATCHING	3,568,793	(197,079)	3,371,714	-	3,371,714	Decrease due to System Operations OATI expense forecasted entirely to LG&E and lower labor associated with reduced headcount.
69	562	STATION EXPENSES	1,428,520	(228,495)	1,200,024	-	1,200,024	Lower testing, inspection and repair expenses in the Forecasted Period.
70	563	OVERHEAD LINE EXPENSES	782,348	100,804	883,152	-	883,152	Increase due to additional aerial and walking patrol resources needed to support the increase in vegetation management.
71	564	UNDERGROUND LINE EXPENSES	-	-	-	-	-	
72	565	TRANSMISSION OF ELECTRICITY BY OTHERS	2,085,165	1,378,592	3,463,757	-	3,463,757	The variance is reflective of the transmission of power to serve native load, included in the base period is an intracompany elimination offset in FERC account 456.
73	566	MISC TRANSMISSION EXPENSES	14,512,780	6,573,388	21,086,168	-	21,086,168	Increase due to depancaking cost.
74	567	RENTS	149,886	(37,356)	112,529	-	112,529	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	1,508,062	265,612	1,773,674	-	1,773,674	Higher substation corrective maintenance in the Forecasted Period.

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
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SCHEDULE D-1

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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD JURISDICTIONAL (1) \$	JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (2) \$	FORECASTED PERIOD JURISDICTIONAL (3) \$	JURISDICTIONAL PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD (Note 1) (4) \$	PRO FORMA FORECASTED PERIOD JURISDICTIONAL (5) \$	DESCRIPTION OF JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (Note 2) (6)
78	571	MAINTENANCE OF OVERHEAD LINES	11,090,485	1,254,697	12,345,182	-	12,345,182	Increase due to higher vegetation management and corrosion prevention as part of the Transmission System Improvement Plan in the Forecasted Period.
79	572	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	
80	573	MAINTENANCE OF MISC TRANSMISSION PLANT	278,938	16,066	295,004	-	295,004	Customary changes in the ordinary course of business.
81	575	MISO DAY 1 AND 2 EXPENSE	5,446	(5,446)	-	-	-	Item not budgeted in Forecasted Period due to immateriality.
82		TOTAL TRANSMISSION EXPENSES	36,837,553	9,448,217	46,285,770	-	46,285,770	
83		<u>DISTRIBUTION EXPENSES:</u>						
84	580	DISTR OPERATION SUPERVISION AND ENGINEERING	1,690,368	190,845	1,881,212	-	1,881,212	Increase due to safety headcount.
85	581	LOAD DISPATCHING	387,856	(31,683)	356,174	-	356,174	Customary changes in the ordinary course of business.
86	582	STATION EXPENSES	1,761,893	297,528	2,059,422	-	2,059,422	Increase due to headcount increase as well as higher anticipated spend for preventative maintenance based on historical costs.
87	583	OVERHEAD LINE EXPENSES	6,418,314	(893,563)	5,524,751	-	5,524,751	Decrease due to additional overhead trouble orders and repair of defective equipment in the Base Year.
88	584	UNDERGROUND LINE EXPENSES	-	312	312	-	312	Customary changes in the ordinary course of business.
89	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	-	-	-	-	
90	586	METER EXPENSES	7,655,981	968,099	8,624,080	-	8,624,080	Increase due to Field Services contracts expiring in May 2019 and increasing due to market conditions.
91	587	CUSTOMER INSTALLATIONS EXPENSES	199	(199)	-	-	-	Item not budgeted in Forecasted Period due to immateriality.
92	588	MISC DISTRIBUTION EXPENSES	7,130,362	442,043	7,572,405	-	7,572,405	Increases due to Lexington street light audit, increased hardware and software maintenance costs, and higher anticipated safety and training costs.
93	589	RENTS	-	-	-	-	-	
94	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	23,441	50,401	73,842	-	73,842	Customary changes in the ordinary course of business.
95	591	MAINTENANCE OF STRUCTURES	-	-	-	-	-	
96	592	MAINTENANCE OF STATION EQUIPMENT	1,255,115	(52,361)	1,202,754	-	1,202,754	Customary changes in the ordinary course of business.

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

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

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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD JURISDICTIONAL (1) \$	JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (2) \$	FORECASTED PERIOD JURISDICTIONAL (3) \$	JURISDICTIONAL PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD (Note 1) (4) \$	PRO FORMA FORECASTED PERIOD JURISDICTIONAL (5) \$	DESCRIPTION OF JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (Note 2) (6)
97	593	MAINTENANCE OF OVERHEAD LINES	30,449,534	74,351	30,523,885	-	30,523,885	Increase is due to storm expense based on a historical three-year average and amortization of the regulatory asset for the July 2018 storm. Forecasted period also includes anticipated increases in trouble orders, repairing street lighting, repairing defective overhead equipment, regulatory inspections, and cap/reg/recloser maintenance. These are offset by a decrease for the extension of amortization associated with the 2008 wind storm and 2009 winter storm regulatory assets.
98	594	MAINTENANCE OF UNDERGROUND LINES	407,106	254,392	661,498	-	661,498	Increase due to increase in the Forecasted Period for repairing defective equipment.
99	595	MAINTENANCE OF LINE TRANSFORMERS	147,122	(38,271)	108,851	-	108,851	Customary changes in the ordinary course of business.
100	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	-	-	-	-	
101	597	MAINTENANCE OF METERS	-	-	-	-	-	
102	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	364,541	(29,957)	334,584	-	334,584	Customary changes in the ordinary course of business.
103		TOTAL DISTRIBUTION EXPENSES	57,691,833	1,231,936	58,923,770	-	58,923,770	
104		<u>CUSTOMER ACCOUNTS EXPENSES:</u>						
105	901	CUSTOMER ACCTS SUPERVISION	3,836,507	155,516	3,992,023	-	3,992,023	Higher costs are due to Contact Centers pay rate increases effective September 2018, vacancies in the Base Period, and expenses for Customer Resource Management (CRM).
106	902	METER READING EXPENSES	5,196,804	3,499,813	8,696,616	-	8,696,616	Increase due to contracts expiring in May 2019 and increasing due to market conditions.
107	903	CUSTOMER RECORDS AND COLLECTION EXPENSES	19,009,729	1,069,581	20,079,309	-	20,079,309	Higher costs are due to Contact Centers pay rate increases effective September 2018, increased software and hardware maintenance costs and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
108	904	UNCOLLECTIBLE ACCOUNTS	4,923,725	(26,203)	4,897,522	-	4,897,522	Forecasted Period includes write-offs based on a 5-year average (0.316%) of revenues.
109	905	MISC CUSTOMER ACCOUNTS EXPENSE	26,580	(26,580)	-	-	-	Item not budgeted in Forecasted Period due to immateriality.
110		TOTAL CUSTOMER ACCOUNTS EXPENSES	32,993,344	4,672,127	37,665,470	-	37,665,470	
111		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES:</u>						
112	907	CUSTOMER SERVICE AND INFO SUPERVISION	610,383	37,640	648,023	-	648,023	Customary changes in the ordinary course of business.
113	908	CUSTOMER ASSISTANCE EXPENSES	505,175	199,617	704,792	-	704,792	Increase due to new electric product offerings.

KENTUCKY UTILITIES COMPANY

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DATA: X_ BASE PERIOD X_ FORECASTED PERIOD
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WITNESS: C. M. GARRETT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD JURISDICTIONAL (1) \$	JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (2) \$	FORECASTED PERIOD JURISDICTIONAL (3) \$	JURISDICTIONAL PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD (Note 1) (4) \$	PRO FORMA FORECASTED PERIOD JURISDICTIONAL (5) \$	DESCRIPTION OF JURISDICTIONAL ADJUSTMENTS TO BASE PERIOD (Note 2) (6)
114	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	660,923	1,103,265	1,764,188	-	1,764,188	Increase primarily due to educating customers on their energy choices and ways to reduce their usage through energy efficiency.
115	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	1,381,282	124,770	1,506,052	-	1,506,052	Increases for transmission system impact studies and survey costs.
116		TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	3,157,763	1,465,292	4,623,055	-	4,623,055	
117		<u>SALES EXPENSES:</u>						
118	911	SALES SUPERVISION	-	-	-	-	-	
119	912	DEMONSTRATING AND SELLING EXPENSES	-	-	-	-	-	
120	913	ADVERTISING EXPENSES	935,729	55,402	991,131	(991,131)	-	Expenses are removed from net operating income in setting base rates.
121	916	MISC SALES EXPENSES	-	-	-	-	-	
122		TOTAL SALES EXPENSES	935,729	55,402	991,131	(991,131)	-	
123		<u>ADMINISTRATIVE AND GENERAL EXPENSES:</u>						
124	920	ADMINISTRATIVE AND GENERAL SALARIES	31,720,540	3,847,803	35,568,344	-	35,568,344	Increase due to changes in headcount and wage inflation and increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
125	921	OFFICE SUPPLIES AND EXPENSES	9,171,330	569,831	9,741,161	-	9,741,161	Increase due to higher facilities and corporate security costs and increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
126	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	(5,209,351)	(579,386)	(5,788,737)	-	(5,788,737)	Decrease due to this account 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	16,171,576	4,590,587	20,762,163	-	20,762,163	Increase due to higher level of contracted support for customer education initiatives, legal counsel, increases in hardware and software maintenance contracts and increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
128	924	PROPERTY INSURANCE	4,905,839	888,845	5,794,684	-	5,794,684	Increase due to additional premiums for new assets put into service, the Base Period including a non recurring membership credit and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
129	925	INJURIES AND DAMAGES	4,934,409	(222,991)	4,711,419	-	4,711,419	Decrease due to a public liability settlement in the base period partially offset by an Increase due to an inclusion of a new bond required for Trimble County, discontinuation of a credit received for excess liability continuity and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
130	926	EMPLOYEE PENSION AND BENEFITS	26,852,925	1,786,773	28,639,698	-	28,639,698	Increases due to inflation on medical costs, increased premiums for LTD and life insurance, and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure, partially offset by decrease due to changes in actuarial assumptions for pension and OPEB in the Forecasted Period

KENTUCKY UTILITIES COMPANY

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FOR THE 12 MONTHS ENDED DECEMBER 31, 2018 AND FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: X BASE PERIOD X FORECASTED PERIOD
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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)
			\$	\$	\$	\$	\$	
131	927	FRANCHISE REQUIREMENTS	-	-	-	-	-	
132	928	REGULATORY COMMISSION EXPENSES	1,813,571	174,987	1,988,558	-	1,988,558	Increase due to rate case expense amortization.
133	929	DUPLICATE CHARGES--CREDIT	-	-	-	-	-	
134	930.1	GENERAL ADVERTISING EXPENSES	29,009	(25,851)	3,158	(3,158)		Expenses are removed from net operating income in setting base rates.
135	930.2	MISC GENERAL EXPENSES	4,486,569	(993,955)	3,492,614	(1,034)	3,491,581	Variance is driven by a reclass of legal counsel costs and research and development costs being forecasted and budgeted to FERC Account 500, but actuals are hitting FERC Account 930 as well as an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
136	931	RENTS	2,810,825	1,494	2,812,319	-	2,812,319	Customary changes in the ordinary course of business.
137	935	MAINTENANCE OF GENERAL PLANT	1,475,473	(159,637)	1,315,836	-	1,315,836	Variance is driven by lower facilities maintenance costs.
138		TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	<u>99,162,716</u>	<u>9,878,501</u>	<u>109,041,217</u>	<u>(4,192)</u>	<u>109,037,026</u>	
139		TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>847,648,065</u>	<u>37,985,996</u>	<u>885,634,061</u>	<u>(995,323)</u>	<u>884,638,738</u>	
140	403-404	DEPRECIATION AND AMORTIZATION	213,189,318	55,764,386	268,953,704	(2,772,542)	266,181,162	Variance is due to increase in plant-in-service and higher proposed depreciation rates and increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
141	407.3	REGULATORY DEBITS	-	-	-	-	-	
142	408	TAXES OTHER THAN INCOME TAXES	38,054,156	5,626,859	43,681,015	-	43,681,015	Variance is primarily due to increase in net utility plant, higher tax rates, and an increase in the Forecasted Period jurisdictional factor as a result of the municipals' departure.
143	409-411	FEDERAL INCOME TAXES	43,253,925	(23,764,986)	19,488,939	457,461	19,946,400	Variance is due to changes in pre-tax income and increase in amortization of excess deferred taxes. See Schedule E.
144	409-411	STATE INCOME TAXES	11,095,438	(5,685,585)	5,409,853	114,652	5,524,505	Variance is due to changes in pre-tax income and increase in amortization of excess deferred taxes. See Schedule E.
145	411.4	INVESTMENT TAX CREDIT	-	-	-	-	-	
146	411.8	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	(54,933)	54,933	-	-	-	Item not budgeted in Forecasted Period due to immateriality.
147		TOTAL OPERATING EXPENSES	<u>1,153,185,967</u>	<u>69,981,604</u>	<u>1,223,167,571</u>	<u>(3,195,752)</u>	<u>1,219,971,819</u>	
148		NET OPERATING INCOME	<u>276,150,678</u>	<u>(50,191,995)</u>	<u>225,958,683</u>	<u>1,720,925</u>	<u>227,679,608</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
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FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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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	(11,735,042)	(56,001,147)	10,003,361	1,002,173	-	(56,730,655)	100.000%	(56,730,655)
4	442.2	COMMERCIAL	(3,152,482)	(40,853,853)	6,747,829	620,161	-	(36,638,346)	100.000%	(36,638,346)
5	442.3	INDUSTRIAL	12,000	(36,573,461)	10,449,035	948,176	-	(25,164,250)	100.000%	(25,164,250)
6	444	PUBLIC STREET AND HIGHWAY LIGHTING	-	(1,033,583)	58,112	7,109	-	(968,362)	100.000%	(968,362)
7	445	OTHER SALES TO PUBLIC AUTHORITIES	(801,644)	(12,564,131)	2,601,565	237,587	-	(10,526,622)	100.000%	(10,526,622)
8		TOTAL SALES TO ULTIMATE CONSUMERS	(15,677,168)	(147,026,175)	29,859,903	2,815,207	-	(130,028,234)		(130,028,234)
9	447	SALES FOR RESALE	-	-	-	(17,581,406)	-	(17,581,406)	88.078%	(15,485,332)
10	449.1	PROVISION FOR RATE REFUNDS	-	-	-	-	-	-		-
11		TOTAL SALES OF ELECTRICITY	(15,677,168)	(147,026,175)	29,859,903	(14,766,199)	-	(147,609,640)		(145,513,566)
12		<u>OTHER OPERATING REVENUES:</u>								
13	450	LATE PAYMENT CHARGES	-	-	-	-	-	-	95.797%	-
14	451	ELECTRIC SERVICE REVENUES	-	-	-	-	-	-	93.589%	-
15	454	RENT FROM ELECTRIC PROPERTY	-	-	-	-	-	-	88.522%	-
16	456	OTHER MISCELLANEOUS REVENUE	-	-	-	-	-	-	94.821%	-
17		TOTAL OTHER OPERATING REVENUES	-	-	-	-	-	-		-
18		TOTAL OPERATING REVENUES	(15,677,168)	(147,026,175)	29,859,903	(14,766,199)	-	(147,609,640)		(145,513,566)
19		<u>OPERATING EXPENSES</u>								
20		<u>OPERATION AND MAINTENANCE EXPENSES:</u>								
21		<u>STEAM GENERATION:</u>								
22	500	STEAM OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	88.088%	-
23	501	FUEL	-	(40,839)	28,530,357	(6,776,568)	-	21,712,949	103.743%	22,525,728
24	502	STEAM EXPENSES	-	(2,320,958)	-	(150,659)	-	(2,471,618)	87.191%	(2,155,024)
25	504	STEAM TRANSFERRED-CREDIT	-	-	-	-	-	-	87.191%	-

KENTUCKY UTILITIES COMPANY
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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	-	-	-	-	-	-	87.213%	-
27	506	MISC STEAM POWER EXPENSES	-	(11,379,002)	-	(141,333)	-	(11,520,334)	87.181%	(10,043,592)
28	507	RENTS	-	-	-	-	-	-	87.151%	-
29	509	ALLOWANCES	-	(3,466)	-	-	-	(3,466)	87.151%	(3,021)
30	510	MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	86.860%	-
31	511	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	86.421%	-
32	512	MAINTENANCE OF BOILER PLANT	-	(9,065,785)	-	-	-	(9,065,785)	87.490%	(7,931,694)
33	513	MAINTENANCE OF ELECTRIC PLANT	-	-	-	-	-	-	86.461%	-
34	514	MAINTENANCE OF MISC STEAM PLANT	-	-	-	-	-	-	88.248%	-
35		TOTAL STEAM GENERATION	-	(22,810,050)	28,530,357	(7,068,560)	-	(1,348,254)		2,392,397
36		<u>HYDRAULIC GENERATION:</u>								
37	535	HYDRO OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.625%	-
38	536	WATER FOR POWER	-	-	-	-	-	-	87.625%	-
39	537	HYDRAULIC EXPENSES	-	-	-	-	-	-	87.625%	-
40	538	ELECTRIC EXPENSES	-	-	-	-	-	-	87.625%	-
41	539	MISC HYDRAULIC POWER GENERATION EXPENSES	-	-	-	-	-	-	87.625%	-
42	540	RENTS	-	-	-	-	-	-	87.625%	-
43	541	HYDRO MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.625%	-
44	542	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	87.625%	-
45	543	MAINTENANCE OF RESERVOIRS, DAMS AND WATERWAYS	-	-	-	-	-	-	87.625%	-
46	544	MAINTENANCE OF ELECTRIC PLANT	-	-	-	-	-	-	88.078%	-
47	545	MAINTENANCE OF MISC HYDRAULIC PLANT	-	-	-	-	-	-	87.625%	-
48		TOTAL HYDRAULIC GENERATION	-	-	-	-	-	-		-
49		<u>OTHER GENERATION:</u>								
50	546	OTHER OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.425%	-
51	547	OTHER FUEL	-	-	-	(3,941,209)	-	(3,941,209)	88.078%	(3,471,334)
52	548	GENERATION EXPENSES	-	-	-	-	-	-	87.425%	-

KENTUCKY UTILITIES COMPANY
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			REMOVE DSM MECHANISM	REMOVE ECR MECHANISM	REMOVE FAC MECHANISM	REMOVE OSS MECHANISM	INTEREST SYNCHRONIZATION			
			\$	\$	\$	\$	\$	\$		\$
53	549	MISC OTHER POWER GENERATION EXPENSES	-	-	-	-	-	-	87.443%	-
54	550	RENTS	-	-	-	-	-	-	87.425%	-
55	551	MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	87.908%	-
56	552	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	90.154%	-
57	553	MAINTENANCE OF GENERATING AND ELECTRIC PLANT	-	-	-	-	-	-	86.253%	-
58	554	MAINTENANCE OF MISC OTHER POWER GENERATION PLANT	-	-	-	-	-	-	88.406%	-
59		TOTAL OTHER GENERATION	-	-	-	(3,941,209)	-	(3,941,209)		(3,471,334)
60		<u>OTHER POWER SUPPLY:</u>								
61	555	PURCHASED POWER	-	-	-	(1,146,509)	-	(1,146,509)	88.031%	(1,009,286)
62	556	SYSTEM CONTROL AND LOAD DISPATCHING	-	-	-	-	-	-	87.844%	-
63	557	OTHER EXPENSES	-	-	-	(141,994)	-	(141,994)	87.199%	(123,818)
64		TOTAL OTHER POWER SUPPLY	-	-	-	(1,288,503)	-	(1,288,503)		(1,133,104)
65		TOTAL PRODUCTION EXPENSES	-	(22,810,050)	28,530,357	(12,298,273)	-	(6,577,966)		(2,212,041)
66		<u>TRANSMISSION EXPENSES:</u>								
67	560	TRANS OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	90.071%	-
68	561	LOAD DISPATCHING	-	-	-	-	-	-	90.071%	-
69	562	STATION EXPENSES	-	-	-	-	-	-	90.071%	-
70	563	OVERHEAD LINE EXPENSES	-	-	-	-	-	-	90.071%	-
71	564	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	90.071%	-
72	565	TRANSMISSION OF ELECTRICITY BY OTHERS	-	-	-	(966,092)	-	(966,092)	90.071%	(870,169)
73	566	MISC TRANSMISSION EXPENSES	-	-	-	-	-	-	90.071%	-
74	567	RENTS	-	-	-	-	-	-	90.071%	-
75	568	TRANS MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	90.071%	-
76	569	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	90.071%	-
77	570	MAINTENANCE OF STATION EQUIPMENT	-	-	-	-	-	-	90.071%	-
78	571	MAINTENANCE OF OVERHEAD LINES	-	-	-	-	-	-	90.133%	-
79	572	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	-	90.071%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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	-	-	-	-	-	-	90.071%	-
81	575	MISO DAY 1 AND 2 EXPENSE	-	-	-	-	-	-	90.071%	-
82		TOTAL TRANSMISSION EXPENSES	-	-	-	(966,092)	-	(966,092)		(870,169)
83		<u>DISTRIBUTION EXPENSES:</u>								
84	580	DISTR OPERATION SUPERVISION AND ENGINEERING	-	-	-	-	-	-	94.762%	-
85	581	LOAD DISPATCHING	-	-	-	-	-	-	94.743%	-
86	582	STATION EXPENSES	-	-	-	-	-	-	94.743%	-
87	583	OVERHEAD LINE EXPENSES	-	-	-	-	-	-	92.900%	-
88	584	UNDERGROUND LINE EXPENSES	-	-	-	-	-	-	97.811%	-
89	585	STREET LIGHTING AND SIGNAL SYSTEM EXPENSES	-	-	-	-	-	-	96.983%	-
90	586	METER EXPENSES	-	-	-	-	-	-	94.631%	-
91	587	CUSTOMER INSTALLATIONS EXPENSES	-	-	-	-	-	-	96.983%	-
92	588	MISC DISTRIBUTION EXPENSES	-	-	-	-	-	-	94.762%	-
93	589	RENTS	-	-	-	-	-	-	0.000%	-
94	590	DISTR MAINTENANCE SUPERVISION AND ENGINEERING	-	-	-	-	-	-	94.762%	-
95	591	MAINTENANCE OF STRUCTURES	-	-	-	-	-	-	94.743%	-
96	592	MAINTENANCE OF STATION EQUIPMENT	-	-	-	-	-	-	94.743%	-
97	593	MAINTENANCE OF OVERHEAD LINES	-	-	-	-	-	-	94.189%	-
98	594	MAINTENANCE OF UNDERGROUND LINES	-	-	-	-	-	-	97.811%	-
99	595	MAINTENANCE OF LINE TRANSFORMERS	-	-	-	-	-	-	96.542%	-
100	596	MAINTENANCE OF STREET LIGHTING AND SIGNAL SYSTEMS	-	-	-	-	-	-	96.983%	-
101	597	MAINTENANCE OF METERS	-	-	-	-	-	-	94.631%	-
102	598	MAINTENANCE OF MISC DISTRIBUTION PLANT	-	-	-	-	-	-	94.762%	-
103		TOTAL DISTRIBUTION EXPENSES	-	-	-	-	-	-		-
104		<u>CUSTOMER ACCOUNTS EXPENSES:</u>								
105	901	CUSTOMER ACCTS SUPERVISION	-	-	-	-	-	-	94.943%	-
106	902	METER READING EXPENSES	-	-	-	-	-	-	94.943%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL X UPDATED X 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	-	-	-	-	-	-	94.943%	-
108	904	UNCOLLECTIBLE ACCOUNTS	-	-	-	-	-	-	94.943%	-
109	905	MISC CUSTOMER ACCOUNTS EXPENSE	-	-	-	-	-	-	94.943%	-
110		TOTAL CUSTOMER ACCOUNTS EXPENSES	-	-	-	-	-	-		-
111		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES:</u>								
112	907	CUSTOMER SERVICE AND INFO SUPERVISION	-	-	-	-	-	-	99.486%	-
113	908	CUSTOMER ASSISTANCE EXPENSES	(13,591,906)	-	-	-	-	(13,591,906)	100.000%	(13,591,906)
114	909	INFORMATIONAL AND INSTRUCTURAL ADVERTISING EXP	-	-	-	-	-	-	94.947%	-
115	910	MISC CUSTOMER SERVICE AND INFO EXPENSES	-	-	-	-	-	-	99.762%	-
116		TOTAL CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	(13,591,906)	-	-	-	-	(13,591,906)		(13,591,906)
117		<u>SALES EXPENSES:</u>								
118	911	SALES SUPERVISION	-	-	-	-	-	-	99.486%	-
119	912	DEMONSTRATING AND SELLING EXPENSES	-	-	-	-	-	-	94.947%	-
120	913	ADVERTISING EXPENSES	-	-	-	-	-	-	94.947%	-
121	916	MISC SALES EXPENSES	-	-	-	-	-	-	94.947%	-
122		TOTAL SALES EXPENSES	-	-	-	-	-	-		-
123		<u>ADMINISTRATIVE AND GENERAL EXPENSES:</u>								
124	920	ADMINISTRATIVE AND GENERAL SALARIES	-	-	-	-	-	-	90.512%	-
125	921	OFFICE SUPPLIES AND EXPENSES	-	-	-	-	-	-	90.512%	-
126	922	ADMINISTRATIVE EXPENSES TRANSFERRED--CREDIT	-	-	-	-	-	-	90.512%	-
127	923	OUTSIDE SERVICES	-	-	-	-	-	-	90.512%	-
128	924	PROPERTY INSURANCE	-	-	-	-	-	-	89.082%	-
129	925	INJURIES AND DAMAGES	-	-	-	-	-	-	90.514%	-
130	926	EMPLOYEE PENSION AND BENEFITS	-	-	-	-	-	-	88.766%	-
131	927	FRANCHISE REQUIREMENTS	-	-	-	-	-	-	0.000%	-
132	928	REGULATORY COMMISSION EXPENSES	-	-	-	-	-	-	92.069%	-

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL ADJUSTMENTS TO OPERATING REVENUES AND EXPENSES BY ACCOUNT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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	-	-	-	-	-	-	95.082%	-
135	930.2	MISC GENERAL EXPENSES	-	-	-	-	-	-	90.709%	-
136	931	RENTS	-	-	-	-	-	-	90.512%	-
137	935	MAINTENANCE OF GENERAL PLANT	-	-	-	-	-	-	90.512%	-
138		TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	-	-	-	-	-	-		-
139		TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>(13,591,906)</u>	<u>(22,810,050)</u>	<u>28,530,357</u>	<u>(13,264,365)</u>	-	<u>(21,135,964)</u>		<u>(16,674,116)</u>
140	403-404	DEPRECIATION AND AMORTIZATION	(1,162,262)	(32,578,191)	-	-	-	(33,740,453)	88.263%	(29,780,382)
141	407.3	REGULATORY DEBITS	-	(3,398,402)	-	-	-	(3,398,402)	100.000%	(3,398,402)
142	408	TAXES OTHER THAN INCOME TAXES	-	(1,882,008)	-	-	-	(1,882,008)	90.501%	(1,703,242)
143	409-411	FEDERAL INCOME TAXES	(150,048)	(16,778,666)	265,244	(299,616)	3,582,039	(13,381,046)	CALC	(14,678,716)
144	409-411	STATE INCOME TAXES	(46,150)	(4,295,974)	66,477	(75,092)	897,754	(3,452,984)	CALC	(3,778,215)
145	411.4	INVESTMENT TAX CREDIT	-	-	-	-	-	-	88.725%	-
146	411.8	LOSSES/(GAINS) FROM DISPOSITION OF ALLOWANCES	-	-	-	-	-	-	100.000%	-
147		TOTAL OPERATING EXPENSES	<u>(14,950,365)</u>	<u>(81,743,290)</u>	<u>28,862,079</u>	<u>(13,639,072)</u>	<u>4,479,793</u>	<u>(76,990,856)</u>		<u>(70,013,073)</u>
148		NET OPERATING INCOME	<u>(726,803)</u>	<u>(65,282,884)</u>	<u>997,824</u>	<u>(1,127,127)</u>	<u>(4,479,793)</u>	<u>(70,618,783)</u>		<u>(75,500,493)</u>

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL ADJUSTMENTS WORKPAPER
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

SCHEDULE WPD-2
SHEET 1 OF 5

WITNESS: C. M. GARRETT

ADJ ID	Acct No.	Description	Actual Jan-18	Actual Feb-18	Actual Mar-18	Actual Apr-18	Actual May-18	Actual Jun-18	Actual Jul-18	Actual Aug-18	Actual Sep-18	Actual Oct-18	Actual Nov-18	Actual Dec-18	TOTAL \$(000)
ADJ 1		DSM:													
DSM	440	440-RESIDENTIAL	377.060	629.104	1189.151	988.388	1173.349	1214.326	1028.739	1257.346	1077.135	838.422	908.990	1053.032	11735.042
DSM	442.2	442-COMMERCIAL	90.915	239.049	306.675	254.820	317.855	349.000	262.253	349.600	319.816	265.906	195.660	200.934	3152.482
DSM	442.3	442-INDUSTRIAL	0.000	(12.000)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(12.000)
DSM	444	444-PUBLIC ST & HWY LIGHTING	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
DSM	445	445-OTHER PUBLIC AUTHORITIES	17.724	59.521	81.813	65.468	81.720	88.422	58.850	90.391	81.679	76.000	51.678	48.378	801.644
		Total DSM Revenues	<u>485.699</u>	<u>915.674</u>	<u>1577.638</u>	<u>1308.676</u>	<u>1572.924</u>	<u>1651.748</u>	<u>1349.843</u>	<u>1697.336</u>	<u>1478.630</u>	<u>1180.328</u>	<u>1156.328</u>	<u>1302.344</u>	<u>15677.168</u>
DSM	908	908 - DSM PROGRAM EXP	1225.268	725.706	1302.488	1035.210	1269.905	1343.140	1098.483	1405.846	1231.372	959.182	938.848	1056.459	13591.906
DSM	403-404	403 - DSM DEPRECIATION EXP	95.709	95.762	96.236	96.701	96.716	96.753	96.792	96.801	96.799	96.802	97.026	100.164	1162.262
DSM	409-411	411 - DSM AMORT EXCESS ADIT-FEDERAL	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(2.841)	(34.091)
DSM	409-411	411 - DSM AMORT EXCESS ADIT-STATE	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
ADJ 2		ECR (Base and Factor):													
ECR	440	440-RESIDENTIAL	6273.010	4670.364	4470.374	3827.411	4384.006	4430.518	4778.948	4880.238	4043.774	3883.288	4845.293	5513.924	56001.147
ECR	442.2	442-COMMERCIAL	2830.810	3266.584	3009.146	3305.108	3410.621	3641.316	3386.848	3805.086	3591.643	3711.347	3395.753	3499.592	40853.853
ECR	442.3	442-INDUSTRIAL	1958.775	3216.643	2916.890	3349.521	3136.410	3135.270	2945.393	3174.166	3318.963	3479.929	3148.321	2793.180	36573.461
ECR	444	444-PUBLIC ST & HWY LIGHTING	43.942	89.766	94.097	105.536	77.787	85.000	77.378	98.427	91.547	93.457	91.410	85.236	1033.583
ECR	445	445-OTHER PUBLIC AUTHORITIES	799.224	981.544	1022.571	1095.205	1060.271	1104.111	924.467	1185.730	1102.099	1251.391	1040.581	996.936	12564.131
		TOTAL ECR (Base and Factor)	<u>11905.761</u>	<u>12224.901</u>	<u>11513.078</u>	<u>11682.781</u>	<u>12069.094</u>	<u>12396.215</u>	<u>12113.033</u>	<u>13143.648</u>	<u>12148.026</u>	<u>12419.412</u>	<u>12521.359</u>	<u>12888.868</u>	<u>147026.175</u>
		ECR Expenses:													
ECR	407.3	407 - ECR CLOSURE COSTS	168.822	170.674	173.818	266.180	234.234	258.220	279.054	321.210	339.477	372.299	388.200	426.214	3398.402
ECR	408	408 - ECR PROPERTY TAX	156.859	156.859	156.859	156.859	156.859	156.859	156.805	156.810	156.809	156.809	156.810	156.811	1882.008
ECR	411.8	411 - ECR GAIN-DISP OF ALLOW	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
ECR	501	501 - ECR STEAM FUEL EXP RECOVERABLE	26.249	30.460	5.491	(29.730)	(53.197)	(27.576)	(8.880)	21.972	14.074	15.635	42.072	4.270	40.839
ECR	502	502 - ECR BOILER EXPENSE	345.888	345.298	336.896	189.467	175.673	168.150	161.033	288.637	155.435	(57.569)	148.766	63.284	2320.958
ECR	506	506 - ECR ENVIRONMENTAL EXP	1249.563	821.243	776.739	870.704	1126.016	999.724	1112.541	1163.779	823.064	802.637	796.683	836.309	11379.002
ECR	509	509 - ECR SO2/NOX EMISSION ALLOWANCES	0.294	0.170	0.286	0.325	0.339	0.302	0.330	0.339	0.264	0.370	0.284	0.163	3.466
ECR	512	512 - ECR BOILER-ENVRNL	676.535	501.119	639.849	701.820	774.764	743.440	791.640	727.456	640.836	1080.296	875.411	912.620	9065.785
ECR	549	549 - ECR MISC OTH PWR GEN EXP	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
		Total	<u>2624.210</u>	<u>2025.822</u>	<u>2089.939</u>	<u>2155.624</u>	<u>2414.688</u>	<u>2299.120</u>	<u>2492.523</u>	<u>2680.202</u>	<u>2129.959</u>	<u>2370.476</u>	<u>2408.226</u>	<u>2399.671</u>	<u>28090.460</u>
ECR	923	923-ECR Outside Services	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
ECR	403-404	ECR Depreciation Expense	2703.154	2706.306	2706.306	2706.306	2706.306	2712.048	2717.283	2716.777	2720.314	2726.209	2728.566	2728.616	32578.191
ECR	409-411	411 - ECR AMORT EXCESS ADIT-FEDERAL	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(37.472)	(449.660)
ECR	409-411	411 - ECR AMORT EXCESS ADIT-STATE	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(1.825)	(21.902)
ADJ 3		FAC (excl Base Fuel):													
FAC	440	440-RESIDENTIAL	1067.895	(483.165)	(924.964)	(735.584)	(952.806)	(1075.231)	(1730.276)	(1546.229)	(1226.086)	(1398.104)	(644.535)	(354.277)	(10003.361)
FAC	442.2	442-COMMERCIAL	585.763	(167.431)	(565.021)	(446.806)	(719.695)	(775.861)	(1154.843)	(1073.262)	(943.439)	(1166.430)	(193.148)	(127.658)	(6747.829)
FAC	442.3	442-INDUSTRIAL	1051.201	(623.778)	(639.809)	(1006.573)	(1054.870)	(1167.697)	(1796.326)	(1447.930)	(1633.173)	(1930.473)	97.771	(297.377)	(10449.035)
FAC	444	444-PUBLIC ST & HWY LIGHTING	8.083	(0.743)	(11.757)	6.945	(14.761)	(3.735)	(10.265)	(10.029)	(7.279)	(16.053)	(1.126)	2.608	(58.112)
FAC	445	445-OTHER PUBLIC AUTHORITIES	223.122	(93.726)	(244.761)	(103.552)	(315.420)	(274.191)	(459.799)	(398.956)	(378.336)	(503.508)	(40.697)	(11.740)	(2601.565)
		Total FAC (excl Base Fuel)	<u>2936.065</u>	<u>(1368.843)</u>	<u>(2386.312)</u>	<u>(2285.571)</u>	<u>(3057.552)</u>	<u>(3296.715)</u>	<u>(5151.509)</u>	<u>(4476.405)</u>	<u>(4188.313)</u>	<u>(5014.567)</u>	<u>(781.735)</u>	<u>(788.444)</u>	<u>(29859.903)</u>
FAC	501	Total FAC Expense	4078.059	(1995.319)	(1176.872)	(2337.882)	(3069.686)	(2992.746)	(4796.023)	(4392.865)	(4363.435)	(5557.765)	(1110.987)	(814.836)	(28530.357)

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
JURISDICTIONAL ADJUSTMENTS WORKPAPER
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

SCHEDULE WPD-2
SHEET 2 OF 5

WITNESS: C. M. GARRETT

ADJ ID	Acct No.	Description	Actual Jan-18	Actual Feb-18	Actual Mar-18	Actual Apr-18	Actual May-18	Actual Jun-18	Actual Jul-18	Actual Aug-18	Actual Sep-18	Actual Oct-18	Actual Nov-18	Actual Dec-18	TOTAL \$(000)
ADJ 4		OSS:													
OSS	440	440-RESIDENTIAL	(442.528)	(0.093)	19.010	(44.937)	(36.097)	(30.409)	(53.881)	(33.022)	(206.075)	(108.158)	(58.886)	(7.097)	(1002.173)
OSS	442.2	442-COMMERCIAL	(215.215)	(21.188)	13.269	(40.259)	(17.132)	(25.263)	(34.526)	(24.292)	(149.394)	(86.719)	(10.618)	(8.826)	(620.161)
OSS	442.3	442-INDUSTRIAL	(349.981)	5.555	(20.869)	(44.372)	(42.040)	(34.503)	(59.776)	(28.344)	(247.706)	(101.190)	(33.266)	8.316	(948.176)
OSS	444	444-PUBLIC ST & HWY LIGHTING	(3.352)	0.003	0.799	(1.961)	0.994	(0.318)	(0.259)	(0.211)	(1.210)	(1.266)	0.066	(0.394)	(7.109)
OSS	445	445-OTHER PUBLIC AUTHORITIES	(80.766)	(3.113)	8.665	(28.121)	1.477	(13.538)	(12.672)	(8.090)	(61.759)	(31.496)	0.879	(9.053)	(237.587)
		Total	<u>(1091.842)</u>	<u>(18.837)</u>	<u>20.874</u>	<u>(159.650)</u>	<u>(92.798)</u>	<u>(104.030)</u>	<u>(161.114)</u>	<u>(93.960)</u>	<u>(666.144)</u>	<u>(328.828)</u>	<u>(101.826)</u>	<u>(17.053)</u>	<u>(2815.207)</u>
OSS	447	447-OSS SALES FOR RESALE	6947.173	367.119	333.072	1264.765	909.552	659.596	1031.856	621.239	2357.673	1969.334	854.144	265.883	17581.406
		OSS Expenses:													
OSS	501	501 Fuel Costs for External OSS	309.375	70.621	19.278	418.408	294.682	216.759	303.246	199.070	461.414	441.593	92.234	0.000	2826.679
OSS	547	547 Fuel Costs for External OSS	630.276	0.327	0.000	8.212	42.396	43.496	146.949	36.407	244.693	234.740	127.412	0.000	1514.908
OSS	555	555 Purchased Power - OSS	4.909	0.781	0.070	11.599	19.050	17.679	7.564	12.205	10.180	32.040	14.581	(0.103)	130.556
OSS	501	501 Fuel Costs for Utility OSS	2055.849	184.643	287.524	431.198	171.851	72.980	67.749	55.167	240.127	341.096	14.260	0.080	3922.525
OSS	547	547 Fuel Costs for Utility OSS	1984.038	23.670	2.166	28.629	15.418	13.207	4.549	31.765	24.079	0.134	57.943	240.704	2426.301
OSS	555	555 Purchased Power Costs - External OSS	0.250	33.188	0.000	21.826	75.803	55.944	126.131	63.540	147.283	204.097	272.803	15.087	1015.953
OSS	565	565 Transmission - OSS External	0.918	0.154	0.023	0.591	0.600	0.381	0.335	0.542	0.443	0.633	0.190	0.080	4.891
OSS	565	565 Transmission - OSS Utility	115.975	16.827	3.036	87.081	80.567	59.868	107.298	53.117	175.942	167.599	90.997	2.895	961.201
OSS	557	557 RTO Costs - OSS External	89.684	0.930	0.192	5.291	12.243	4.985	7.055	7.409	6.646	6.343	1.497	(0.281)	141.994
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	7.629	1.955	0.423	14.930	10.440	5.672	8.967	6.393	11.659	9.674	2.148	0.000	79.889
OSS	502	502 Other Consumables - OSS External	5.583	1.470	0.344	9.625	7.590	5.634	8.415	4.898	12.157	8.253	1.736	0.000	65.706
OSS	506	506 Other Consumables - OSS External	2.157	0.753	0.196	4.777	2.274	2.400	3.020	1.693	4.891	3.200	0.970	0.000	26.330
OSS	502	502 Other Consumables - OSS Utility	43.118	3.729	5.543	9.974	4.530	1.811	1.823	1.503	5.843	6.807	0.268	0.004	84.954
OSS	506	506 Other Consumables - OSS Utility	16.660	1.910	3.149	4.950	1.357	0.771	0.654	0.520	2.351	2.639	0.150	0.002	35.113
OSS	501	501 Inter-System Losses	5.781	(0.537)	0.097	2.297	2.152	1.660	2.915	1.547	4.308	4.556	2.511	0.076	27.364
		Total	<u>5272.203</u>	<u>340.420</u>	<u>322.040</u>	<u>1059.390</u>	<u>740.953</u>	<u>503.246</u>	<u>796.670</u>	<u>475.776</u>	<u>1352.016</u>	<u>1463.405</u>	<u>679.701</u>	<u>258.544</u>	<u>13264.365</u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2018-00294

CALCULATION OF CURRENT TAX ADJUSTMENT FROM INTEREST SYNCHRONIZATION

FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FOR THE 12 MONTHS ENDED APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE WPD-2

TYPE OF FILING: ORIGINAL UPDATED REVISED

SHEET 5 OF 5

WORKPAPER REFERENCE NO(S)::

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	\$ 3,676,428,488	\$ 4,078,343,555
2	WEIGHTED COST OF DEBT	J-1 , J-1.1/J-1.2	1.94%	2.05%
3	INTEREST SYNCHRONIZATION		\$ 71,254,907	\$ 83,577,750
4	KENTUCKY JURISDICTIONAL INTEREST PER BOOKS (EXCLUDING OTHER INTEREST)		89,209,989	109,195,234
5	INTEREST SYNCHRONIZATION ADJUSTMENT (LINE 4 - 3)		\$ 17,955,082	\$ 25,617,484
6	COMPOSITE FEDERAL AND STATE TAX RATE	WPH-1	24.9500%	24.9500%
7	CURRENT TAX ADJUSTMENT FROM INTEREST SYNCHRONIZATION		\$ 4,479,793	\$ 6,391,562

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294

BASE PERIOD: FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECASTED PERIOD: FOR THE 12 MONTHS ENDED APRIL 30, 2020

SCHEDULE

DESCRIPTION

E-1 ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES

E-2 DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPUTATION OF FEDERAL AND STATE INCOME TAX - JURISDICTIONAL
FOR THE BASE PERIOD TME DECEMBER 31, 2018 AND FORECAST PERIOD TME APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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	330,500,040	(79,642,565)	250,857,475	2,293,038	253,150,513	111,879,566	365,030,079
2	Interest Charges	71,254,907	12,322,843	83,577,750	0	83,577,750		83,577,750
3	Book Net Income before Income Tax & Credits	259,245,133	(91,965,408)	167,279,725	2,293,038	169,572,763	111,879,566	281,452,329
4	Permanent Differences:							
5	Section 199 Manufacturing Deduction	0	0	0		0	0	0
6	Other Permanent Differences	840,204	48,932	889,136		889,136		889,136
7	Total Permanent Differences	840,204	48,932	889,136	0	889,136	0	889,136
8	Temporary Differences:							
9	Bonus Depreciation	(66,280,737)	(25,712,419)	(91,993,156)	0	(91,993,156)	0	(91,993,156)
10	Federal Tax Depreciation	(254,309,631)	(34,065,529)	(288,375,160)	0	(288,375,160)	0	(288,375,160)
11	Federal Net Operating Loss	(65,699,512)	65,699,512	0	0	0	0	0
12	Other Temporary Differences	173,759,473	16,914,151	190,673,623	0	190,673,623	0	190,673,623
13	Total Temporary Differences	(212,530,407)	22,835,714	(189,694,693)	0	(189,694,693)	0	(189,694,693)
14	Subtotal	47,554,931	(69,080,762)	(21,525,832)	2,293,038	(19,232,794)	111,879,566	92,646,772
15	Total State Tax Expense	(1,474,678)	5,898,899	4,424,220	(114,652)	4,309,569	(5,593,978)	(1,284,410)
16	Federal Taxable Income	46,080,252	(63,181,863)	(17,101,611)	2,178,386	(14,923,225)	106,285,588	91,362,363
17	Federal Income Tax Rate	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
18	Current Federal Tax Before Adjustments	9,676,853	(13,268,191)	(3,591,338)	457,461	(3,133,877)	22,319,973	19,186,096
19	Federal tax adjustments:							
20	Other Current Adjustments	(5,404,743)	5,156,124	(248,620)	0	(248,620)	0	(248,620)
21	Prior Period Adjustments	(25,358)	25,358	0	0	0	0	0
22	Total Federal Current Tax Expense	4,246,752	(8,086,710)	(3,839,958)	457,461	(3,382,497)	22,319,973	18,937,477
23	State Current Tax Expense:							
24	Federal Taxable Income	47,554,931	(69,080,762)	(21,525,832)	2,293,038	(19,232,794)	111,879,566	92,646,772
25	State tax adjustments:							
26	Addback Federal Net Operating Loss	65,699,512	(65,699,512)	0	0	0	0	0
27	Addback Bonus Depreciation	66,280,737	25,712,419	91,993,156	0	91,993,156	0	91,993,156
28	Addback Federal Tax Depreciation	254,309,631	34,065,529	288,375,160	0	288,375,160	0	288,375,160
29	Addback Other Items	(251,693)	251,693	0	0	0	0	0
30	State Tax Depreciation	(381,080,144)	(34,512,154)	(415,592,298)	0	(415,592,298)	0	(415,592,298)
31	State Taxable Income	52,512,974	(109,262,787)	(56,749,813)	2,293,038	(54,456,775)	111,879,566	57,422,791
32	State Income Tax Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
33	State Current Tax Expense Before Adjustments	2,625,649	(5,463,139)	(2,837,491)	114,652	(2,722,839)	5,593,978	2,871,140
34	State Tax Credits and Adjustments:							
35	Kentucky Coal Credit	(1,059,182)	(527,548)	(1,586,730)	0	(1,586,730)	0	(1,586,730)
36	Other Current Adjustments	(7,153)	7,153	0	0	0	0	0
37	Prior Period Adjustments	(84,635)	84,635	0	0	0	0	0
38	Total State Current Tax Expense	1,474,678	(5,898,899)	(4,424,220)	114,652	(4,309,569)	5,593,978	1,284,410

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPUTATION OF FEDERAL AND STATE INCOME TAX - JURISDICTIONAL
FOR THE BASE PERIOD TME DECEMBER 31, 2018 AND FORECAST PERIOD TME APRIL 30, 2020

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

SCHEDULE E-1
PAGE 2 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)
		\$	\$	\$	\$	\$	\$	
39	INVESTMENT TAX CREDITS & INCOME TAXES DEFERRED IN PRIOR YEARS							
40	INVESTMENT TAX CREDIT:							
41	Amortization of ITC	0	0	0		0		0
42	TOTAL INVESTMENT TAX CREDIT	0	0	0		0		0
43	INCOME TAX DEFERRED - FEDERAL:							
44	Storm Damages	(229,679)	(721,115)	(950,794)		(950,794)		(950,794)
45	Amortization Loss on Reacquired Debt	(58,458)	(32,859)	(91,317)		(91,317)		(91,317)
46	Bonus Depreciation	13,939,169	5,379,393	19,318,563		19,318,563		19,318,563
47	CCR Pond Closures	6,793,039	248,312	7,041,351		7,041,351		7,041,351
48	Contributions In Aid of Const. & Capitalized Interest	(4,392,943)	1,491,276	(2,901,668)		(2,901,668)		(2,901,668)
49	Contingency Reserve	0	0	0		0		0
50	Cost of Removal	5,438,811	1,661,306	7,100,117		7,100,117		7,100,117
51	Demand Side Management	(840,429)	996,337	155,908		155,908		155,908
52	Environmental Cost Recovery	(1,782,134)	2,790,479	1,008,346		1,008,346		1,008,346
53	Fuel Adjustment Clause - KY	499,149	(436,954)	62,195		62,195		62,195
54	Post Retirement Benefits	994,483	(128,965)	865,518		865,518		865,518
55	Pensions	728,345	(298,339)	430,006		430,006		430,006
56	Federal Net Operating Loss	13,796,897	(13,796,897)	0		0		0
57	Interest Rate Swaps	(221,335)	12,383	(208,952)		(208,952)		(208,952)
58	ARO	0	0	0		0		0
59	Green River Regulatory Asset	(281,083)	281,083	0		0		0
60	Brown Regulatory Asset	0	(125,063)	(125,063)		(125,063)		(125,063)
61	OSS Adjustment Clause - KY	(1,752)	(437)	(2,188)		(2,188)		(2,188)
62	Tax Gain/Loss	1,310,405	1,679,674	2,990,079		2,990,079		2,990,079
63	Plant Outage Normalization	908,784	3,481,295	4,390,079		4,390,079		4,390,079
64	R&D Regulatory Asset	(62,860)	107	(62,753)		(62,753)		(62,753)
65	Refined Coal	55,180	(24,393)	30,787		30,787		30,787
66	Regulatory Expenses	(5,138)	(211,129)	(216,268)		(216,268)		(216,268)
67	Swap Termination	0	0	0		0		0
68	Tax Repair Expensing	5,776,098	(161,065)	5,615,033		5,615,033		5,615,033
69	TCJA Regulatory Liability - KY	(1,686,981)	1,686,981	0		0		0
70	Tax Depreciation in excess of Book Depreciation	1,033,403	(7,991,782)	(6,958,378)		(6,958,378)		(6,958,378)
71	Other Items	805,903	(805,903)	0		0		0
72	ADJUSTMENTS:							
73	Prior Period Adjustments	(43,812)	43,812	0		0		0
74	Federal Excess Deferrals - Protected	(8,259,060)	(5,515,031)	(13,774,091)		(13,774,091)		(13,774,091)
75	Federal Excess Deferrals - Unprotected	(649,718)	(64,280)	(713,998)		(713,998)		(713,998)
76	Permanent Loss on Tax Depreciation	367,464	(41,079)	326,385		326,385		326,385
77	Credit Carryforwards	5,075,421	(5,075,421)	0		0		0
78	Other	0	0	0		0		0
79	TOTAL INCOME TAX DEFERRED - FEDERAL	39,007,172	(15,678,275)	23,328,897	0	23,328,897	0	23,328,897
80	TOTAL FEDERAL INCOME TAXES	43,253,924	(23,764,985)	19,488,939	457,461	19,946,400	22,319,973	42,266,373

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
COMPUTATION OF FEDERAL AND STATE INCOME TAX - JURISDICTIONAL
FOR THE BASE PERIOD TME DECEMBER 31, 2018 AND FORECAST PERIOD TME APRIL 30, 2020

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL 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)
		\$	\$	\$	\$	\$	\$	
81	INCOME TAX DEFERRED - STATE:							
82	Storm Damages	(57,564)	(180,731)	(238,294)		(238,294)		(238,294)
83	Amortization Loss on Reacquired Debt	(14,651)	(8,235)	(22,886)		(22,886)		(22,886)
84	CCR Pond Closures	1,702,516	161,914	1,864,430		1,864,430		1,864,430
85	Contributions In Aid of Const. & Capitalized Interest	(1,100,988)	373,753	(727,235)		(727,235)		(727,235)
86	Contingency Reserve	0	0	0		0		0
87	Cost of Removal	1,363,111	416,367	1,779,478		1,779,478		1,779,478
88	Demand Side Management	(210,634)	249,708	39,075		39,075		39,075
89	Environmental Cost Recovery	(446,650)	699,368	252,718		252,718		252,718
90	Fuel Adjustment Clause - KY	125,100	(109,512)	15,588		15,588		15,588
91	Post Retirement Benefits	249,244	(32,322)	216,922		216,922		216,922
92	Pensions	182,543	(74,772)	107,771		107,771		107,771
93	Interest Rate Swaps	(55,472)	10,500	(44,973)		(44,973)		(44,973)
94	ARO	0	0	0		0		0
95	Green River Regulatory Asset	(70,447)	70,447	0		0		0
96	Brown Regulatory Asset	0	(31,344)	(31,344)		(31,344)		(31,344)
97	OSS Adjustment Clause - KY	(439)	(109)	(548)		(548)		(548)
98	Tax Gain/Loss	444,087	305,306	749,393		749,393		749,393
99	Plant Outage Normalization	227,765	872,505	1,100,271		1,100,271		1,100,271
100	R&D Regulatory Asset	(15,754)	27	(15,728)		(15,728)		(15,728)
101	Refined Coal	13,830	(6,113)	7,716		7,716		7,716
102	Regulatory Expenses	(1,288)	(52,915)	(54,202)		(54,202)		(54,202)
103	Swap Termination	0	0	0		0		0
104	Tax Repair Expensing	1,447,644	(40,367)	1,407,277		1,407,277		1,407,277
105	TCJA Regulatory Liability - KY	(422,802)	422,802	0		0		0
106	Tax Depreciation in excess of Book Depreciation	6,955,081	(2,114,577)	4,840,504		4,840,504		4,840,504
107	Other Items	99,563	(99,563)	0		0		0
108	ADJUSTMENTS:							
109	Prior Period Adjustments	160,925	(160,925)	0		0		0
110	Excess Deferreds - Protected	(1,046,056)	(386,957)	(1,433,013)		(1,433,013)		(1,433,013)
111	Excess Deferreds - Unprotected	0	(54,672)	(54,672)		(54,672)		(54,672)
112	Permanent Loss on Tax Depreciation	92,097	(16,269)	75,828		75,828		75,828
113	Other	0	0	0		0		0
114	TOTAL INCOME TAX DEFERRED - STATE	9,620,759	213,314	9,834,073	0	9,834,073	0	9,834,073
115	TOTAL STATE INCOME TAXES	11,095,437	(5,685,584)	5,409,852	114,652	5,524,504	5,593,978	11,118,483
116	TOTAL INCOME TAXES	54,349,361	(29,450,570)	24,898,791	572,113	25,470,904	27,913,952	53,384,856

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

SCHEDULE E-2
PAGE 1 OF 6
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	467,138,122	90.863%	424,457,464	SEE SCHEDULE C-2.1
2	Interest Charges	(99,298,348)	89.840%	(89,209,989)	RATE BASE
3	Book Taxable Income LN 1+2	<u>367,839,774</u>		<u>335,247,475</u>	
4	Permanent Differences:				
5	Medicare Part D Subsidy	(136,378)	89.418%	(121,946)	RATE BASE
6	AFUDC - Book Depreciation	1,322,414	0.000%	-	DIRECT ASSIGN / DEMAND AVG 12CP
7	Non-Deductible Meals & Entertainment	1,076,017	89.418%	962,151	RATE BASE
8	Non-Deductible Business Expenses	795,010	0.000%	-	DIRECT ASSIGN
9	Total Permanent Differences SUM LN 5-8	<u>-</u>		<u>-</u>	
10	Total Federal Temporary Differences:				
11	2008 Wind Storm Damages	219,552	100.000%	219,552	DIRECT ASSIGN
12	2009 Winter Storm Damages	5,723,676	100.000%	5,723,676	DIRECT ASSIGN
13	2018 Summer Storm Damages	(4,791,953)	100.000%	(4,791,953)	DIRECT ASSIGN
14	AFUDC-Debt,Repair Allow.,Misc Book Diff-Federal	(469,250)	0.000%	-	DIRECT ASSIGN
15	Amortization Loss on Reacquired Debt	327,699	89.418%	293,021	RATE BASE
16	Bonus Depreciation - Federal	(74,030,955)	89.531%	(66,280,737)	TOTAL DEFERRED TAXES
17	Book Depreciation	273,556,684	88.923%	243,253,534	DEPRECIATION EXPENSE
18	Contribution In Aid of Const. & Capitalized Interest	24,625,709	0.000%	22,019,766	RATE BASE
19	CCR Pond Closures	(37,976,678)	89.661%	(34,050,322)	DIRECT ASSIGN / DEMAND AVG 12CP
20	Cost of Removal	(30,488,574)	0.000%	(27,262,211)	RATE BASE
21	Demand Side Management	4,212,674	100.000%	4,212,674	DIRECT ASSIGN
22	Environmental Cost Recovery - Current	8,933,000	100.000%	8,933,000	DIRECT ASSIGN
23	FAC Under Recovery KY	(2,502,000)	100.000%	(2,502,000)	DIRECT ASSIGN
24	FAS 106 Cost Write-Off (Post Retirement)	(5,507,396)	90.512%	(4,984,876)	LABOR
25	FAS 143 - 190	(2,689,663)	89.418%	(2,405,037)	RATE BASE
26	FAS 143 - 283	(6,398,180)	89.418%	(5,721,111)	RATE BASE
27	FAS 143 - ARO	9,087,842	89.418%	8,126,148	RATE BASE
28	FAS 87 Pensions	7,788,841	90.512%	7,049,867	LABOR
29	Green River Regulatory Asset	1,408,936	100.000%	1,408,936	DIRECT ASSIGN
30	Brown Regulatory Asset	-	100.000%	-	DIRECT ASSIGN
31	Interest Rate Swaps	(1,433,704)	89.418%	(1,281,986)	RATE BASE
32	Interest Rate Swaps - Reg Asset	2,391,436	100.000%	2,391,436	DIRECT ASSIGN
33	Muni True-up - Reg Asset	12,830,127	0.000%	-	DIRECT ASSIGN
34	NOL - KU - Federal	(73,474,760)	89.418%	(65,699,512)	RATE BASE
35	Off-System Sales Tracker - Reg Liab	8,781	100.000%	8,781	DIRECT ASSIGN
36	Pensions - Regulatory Asset	(11,439,692)	100.000%	(11,439,692)	DIRECT ASSIGN
37	Plant Outage Normalization	(4,555,309)	100.000%	(4,555,309)	DIRECT ASSIGN
38	R&D Regulatory Asset	315,088	100.000%	315,088	DIRECT ASSIGN
39	Refined Coal - KY - Reg Liab	(276,590)	100.000%	(276,590)	DIRECT ASSIGN
40	Refined Coal - VA - Reg Liab	64,859	0.000%	-	DIRECT ASSIGN
41	Regulatory Expenses	27,975	92.069%	25,756	REGULATORY COMMISSION EXP
42	Tax Depreciation - Federal	(284,046,099)	89.531%	(254,309,631)	DIRECT ASSIGN
43	Tax Loss on Disposition	(7,475,147)	89.418%	(6,684,112)	RATE BASE
44	Tax Repair Expensing	(32,379,319)	89.531%	(28,989,564)	TOTAL DEFERRED TAXES
45	TCJA Regulatory Liability - KY	8,456,043	100.000%	8,456,043	DIRECT ASSIGN
46	TCJA Regulatory Liability - VA	1,275,561	0.000%	-	DIRECT ASSIGN
47	VA Over/Under Recovery Fuel Clause - Current	(1,420,000)	0.000%	-	DIRECT ASSIGN
48	Federal Temporary Differences SUM LN 11-47	<u>(224,296,931)</u>		<u>(212,530,407)</u>	
49	Subtotal LN 3+9+48	146,599,906		123,557,272	
50	Total state tax expense LN 74	<u>(6,351,854)</u>		<u>(5,274,795)</u>	
51	Federal Taxable Income LN 49+50	140,248,052		118,282,477	
52	Federal Income Tax Rate	21%		21%	
53	Current Federal Tax Before Adjustments LN 51 x 52	29,452,091		24,839,320	
54	Federal tax adjustments:				
55	Other Current Adjustments	-		-	RATE BASE
56	Prior Period Adjustments	(6,044,371)		(5,404,743)	RATE BASE
57	Total Federal Current Tax Expense LN 53+55+56	<u>23,379,361</u>		<u>19,409,219</u>	
58	State Current Tax Expense:				
59	Federal Taxable Income LN 49	146,599,906		123,557,272	
60	State tax adjustments:				
61	Addback Federal Net Operating Loss	73,474,760	89.418%	65,699,512	RATE BASE
62	Addback Bonus Depreciation	74,030,955	89.531%	66,280,737	TOTAL DEFERRED TAXES
63	Addback Federal Tax Depreciation	284,046,099	89.531%	254,309,631	TOTAL DEFERRED TAXES
64	Addback Other Items	(284,234)	88.551%	(251,693)	TOTAL DEFERRED TAXES
65	State Tax Depreciation	<u>(425,639,908)</u>	89.531%	<u>(381,080,144)</u>	TOTAL DEFERRED TAXES
66	State Taxable Income SUM LN 59-65	152,227,577		128,515,316	
67	State Apportionment Income Adjustment	-		-	DIRECT ASSIGN
68	State Taxable Income Adjusted LN 66+67	<u>152,227,577</u>		<u>128,515,316</u>	
69	State Income Tax Rate	5%		5%	
70	State Current Tax Expense Before Adjustments LN 68 x 69	7,611,379		6,425,766	

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

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

LINE NO.	DESCRIPTIONS BY MAJOR GROUPINGS OR ACCOUNT	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTIONAL AMOUNT	JURISDICTIONAL CODE / EXPLANATION
		\$		\$	
71	State Tax Credits and Adjustments:				
72	Kentucky Coal Credit	(1,156,874)	91.556%	(1,059,182)	KENTUCKY DEMAND AVG 12 CP
73	Other Current Adjustments	(8,000)	89.418%	(7,153)	RATE BASE
74	Prior Period Adjustments	<u>(94,651)</u>	89.418%	<u>(84,635)</u>	RATE BASE
75	Total State Current Tax Expense	SUM LN 70-74 6,351,854		5,274,795	
76	Income Tax Deferred - Federal:				
77	2008 Wind Storm Damages	(43,801)	100.000%	(43,801)	DIRECT ASSIGN
78	2009 Winter Storm Damages	(1,141,873)	100.000%	(1,141,873)	DIRECT ASSIGN
79	2018 Summer Storm Damages	955,995	100.000%	955,995	DIRECT ASSIGN
80	AFUDC-Debt,Repair Allow.,Misc Book Diffs-Federal	93,615	0.000%	-	DIRECT ASSIGN
81	Amortization Loss on Recquired Debt	(65,376)	89.418%	(58,458)	RATE BASE
82	Bonus Depreciation - Federal	15,546,501	89.661%	13,939,169	TOTAL DEFERRED TAXES
83	Book Depreciation	(54,574,558)	88.923%	(48,529,080)	DEPRECIATION EXPENSE
84	Contribution In Aid of Const. & Capitalized Interest	(4,912,829)	89.418%	(4,392,943)	RATE BASE
85	CCR Pond Closures	7,576,347	89.661%	6,793,039	DIRECT ASSIGN / DEMAND AVG 12CP
86	Cost of Removal	6,082,471	89.418%	5,438,811	RATE BASE
87	Demand Side Management	(840,429)	100.000%	(840,429)	DIRECT ASSIGN
88	Environmental Cost Recovery - Current	(1,782,134)	100.000%	(1,782,134)	DIRECT ASSIGN
89	FAC Under Recovery KY	499,149	100.000%	499,149	DIRECT ASSIGN
90	FAS 106 Cost Write-Off (Post Retirement)	1,098,726	90.512%	994,483	LABOR
91	FAS 143 - 190	536,588	89.418%	479,805	RATE BASE
92	FAS 143 - 283	1,276,437	89.418%	1,141,362	RATE BASE
93	FAS 143 - ARO	(1,813,025)	89.418%	(1,621,167)	RATE BASE
94	FAS 87 Pensions	(1,553,874)	100.000%	(1,553,874)	LABOR
95	Green River Regulatory Asset	(281,083)	100.000%	(281,083)	DIRECT ASSIGN
96	Brown Regulatory Asset	-	100.000%	-	DIRECT ASSIGN
97	Interest Rate Swaps	286,024	89.418%	255,756	RATE BASE
98	Interest Rate Swaps - Reg Asset	(477,091)	100.000%	(477,091)	DIRECT ASSIGN
99	Muni True-up - Reg Asset	(2,559,610)	0.000%	-	DIRECT ASSIGN
100	NOL - KU - Federal	15,429,700	89.418%	13,796,897	RATE BASE
101	Off-System Sales Tracker - Reg Liab	(1,752)	100.000%	(1,752)	DIRECT ASSIGN
102	Pensions - Regulatory Asset	2,282,219	100.000%	2,282,219	DIRECT ASSIGN
103	Plant Outage Normalization	908,784	100.000%	908,784	DIRECT ASSIGN
104	R&D Regulatory Asset	(62,860)	100.000%	(62,860)	DIRECT ASSIGN
105	Refined Coal - KY - Reg Liab	55,180	100.000%	55,180	DIRECT ASSIGN
106	Refined Coal - VA - Reg Liab	(12,939)	0.000%	-	DIRECT ASSIGN
107	Regulatory Expenses	(5,581)	92.069%	(5,138)	REGULATORY COMMISSION EXP
108	Tax Depreciation - Federal	55,180,462	89.819%	49,562,483	DIRECT ASSIGN
109	Tax Loss on Disposition	1,465,486	89.418%	1,310,405	RATE BASE
110	Tax Repair Expensing	6,459,674	89.418%	5,776,098	TOTAL DEFERRED TAXES
111	TCJA Regulatory Liability - KY	(1,686,981)	100.000%	(1,686,981)	DIRECT ASSIGN
112	TCJA Regulatory Liability - VA	(254,474)	0.000%	-	DIRECT ASSIGN
113	VA over/under Recovery Fuel Clause - Current	283,290	0.000%	-	DIRECT ASSIGN
114	Other Items	<u>859,952</u>	93.715%	<u>805,904</u>	VARIOUS
115	Subtotal Income Tax Deferred - Federal	SUM LN 77-114 44,806,328		42,516,877	
116	Adjustments:				
117	Prior Period Adjustments	(48,997)	89.418%	(43,812)	RATE BASE
118	Federal Excess Deferrals	(10,540,956)	89.105%	(9,392,529)	TOTAL ELECTRIC PLANT
119	Permanent Loss on Tax Depreciation	410,952	89.418%	367,464	RATE BASE
120	Credit Carryforwards	5,577,826	90.993%	5,075,421	TAX EXPENSE
121	Other	-	89.418%	-	RATE BASE
122	Total Income Tax Deferred - Federal	SUM LN 115-121 40,205,153		38,523,421	
123	Total Federal Income Taxes	LN 57+122 <u>63,584,514</u>		<u>57,932,640</u>	

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BASE YEAR FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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

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

LINE NO.	DESCRIPTIONS BY MAJOR GROUPINGS OR ACCOUNT	UNADJUSTED TOTAL COMPANY	JURIS. PERCENT	UNADJUSTED JURISDICTIONAL AMOUNT	JURISDICTIONAL CODE / EXPLANATION
		\$		\$	
124	Income Tax Deferred - State:				
125	2008 Wind Storm Damages	(10,978)	100.000%	(10,978)	DIRECT ASSIGN
126	2009 Winter Storm Damages	(286,184)	100.000%	(286,184)	DIRECT ASSIGN
127	2018 Summer Storm Damages	239,598	100.000%	239,598	DIRECT ASSIGN
128	AFUDC-Debt,Repair Allow.,Misc Book Diffs-Federal	23,463	0.000%	-	DIRECT ASSIGN
129	Amortization Loss on Reacquired Debt	(16,385)	89.418%	(14,651)	RATE BASE
130	Bonus Depreciation - Federal	-	89.418%	-	TOTAL DEFERRED TAXES
131	Book Depreciation	(13,677,834)	88.923%	(12,162,677)	DEPRECIATION EXPENSE
132	Contribution In Aid of Const. & Capitalized Interest	(1,231,285)	89.418%	(1,100,988)	RATE BASE
133	CCR Pond Closures	1,898,834	89.661%	1,702,516	DIRECT ASSIGN / DEMAND AVG 12CP
134	Cost of Removal	1,524,429	89.418%	1,363,111	RATE BASE
135	Demand Side Managemet	(210,634)	100.000%	(210,634)	DIRECT ASSIGN
136	Environmental Cost Recovery - Current	(446,650)	100.000%	(446,650)	DIRECT ASSIGN
137	FAC Under Recovery KY	125,100	100.000%	125,100	DIRECT ASSIGN
138	FAS 106 Cost Write-Off (Post Retirement)	275,370	90.512%	249,244	LABOR
139	FAS 143 - 190	134,483	89.418%	120,252	RATE BASE
140	FAS 143 - 283	319,909	89.418%	286,056	RATE BASE
141	FAS 143 - ARO	(454,392)	89.418%	(406,307)	RATE BASE
142	FAS 87 Pensions	(389,442)	100.000%	(389,442)	LABOR
143	Green River Regulatory Asset	(70,447)	100.000%	(70,447)	DIRECT ASSIGN
144	Brown Regulatory Asset	-	100.000%	-	DIRECT ASSIGN
145	Interest Rate Swaps	71,685	89.418%	64,099	RATE BASE
146	Interest Rate Swaps - Reg Asset	(119,572)	100.000%	(119,572)	DIRECT ASSIGN
147	Muni True-up - Reg Asset	(641,506)	0.000%	-	DIRECT ASSIGN
148	NOL - KU - Federal	-	89.418%	-	RATE BASE
149	Off-System Sales Tracker - Reg Liab	(439)	100.000%	(439)	DIRECT ASSIGN
150	Pensions - Regulatory Asset	571,985	100.000%	571,985	DIRECT ASSIGN
151	Plant Outage Normalization	227,765	100.000%	227,765	DIRECT ASSIGN
152	R&D Regulatory Asset	(15,754)	100.000%	(15,754)	DIRECT ASSIGN
153	Refined Coal - KY - Reg Liab	13,830	100.000%	13,830	DIRECT ASSIGN
154	Refined Coal - VA - Reg Liab	(3,243)	0.000%	-	DIRECT ASSIGN
155	Regulatory Expenses	(1,399)	92.069%	(1,288)	REGULATORY COMMISSION EXP
156	Tax Depreciation - Federal	21,281,995	89.831%	19,117,757	DIRECT ASSIGN
157	Tax Loss on Disposition	496,643	89.418%	444,087	RATE BASE
158	Tax Repair Expensing	1,618,966	89.418%	1,447,644	TOTAL DEFERRED TAXES
159	TCJA Regulatory Liability - KY	(422,802)	100.000%	(422,802)	DIRECT ASSIGN
160	TCJA Regulatory Liability - VA	(63,778)	0.000%	-	DIRECT ASSIGN
161	VA over/under Recovery Fuel Clause - Current	71,000	0.000%	-	DIRECT ASSIGN
162	Other Items	101,133	98.447%	99,563	VARIOUS
163	Subtotal Income Tax Deferred - State	SUM LN 125-162		10,413,793	
164	Adjustments:				
165	Prior Period Adjustments	179,970	89.418%	160,925	RATE BASE
166	Excess Deferrals	(1,139,568)	93.716%	(1,067,958)	TOTAL KENTUCKY ELECTRIC PLANT
167	Permanent Loss on Tax Depreciation	102,996	89.418%	92,097	RATE BASE
168	Total Income Tax Deferred - State	SUM LN 163-167		9,598,857	
169	Total State Income Taxes	LN 75+168		14,873,652	

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

Filing Requirement
807 KAR 5:001 Section 16(8)(f)
Sponsoring Witness: 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. 2018-00294
Filing Requirement Section 16(8)(f)
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f) Schedule F

Schedule	Description
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 Service Expenses
F-7	Rate Case Expenses
F-8	Civic and Political Activity Expenses

Kentucky Utilities
Case No. 2018-00294
Organization Membership Dues, Initiation Fees and Expenditures at Country Clubs
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-1

Account No.	Organization/Membership	Dues	Jurisdiction %	Total Jurisdiction
Base Period - Recoverable				
930	Electric Power Research Institute (EPRI)	2,017,867.20	90.512%	1,826,420.07
930	Edison Electric Institute (EEI)	439,572.82	90.512%	397,867.92
930	Utility Air Regulatory Group (UARG)	171,923.01	90.512%	155,611.65
930	Hunton Andrews Kurth LLP	95,025.00	90.512%	86,009.41
930	Baker Botts LLP	86,730.53	90.512%	78,501.89
930	Steptoe & Johnson LLC	85,937.50	90.512%	77,784.10
930	Utility Solid Waste Activities Group (USWAG)	81,765.75	90.512%	74,008.14
930	Utility Water Act Group (UWAG)	75,552.65	90.512%	68,384.52
930	Hunton and Williams LLP	66,150.00	90.512%	59,873.95
930	North American Transmission Forum	47,557.25	90.512%	43,045.21
930	University of Louisville Research Foundation Inc.	31,000.00	90.512%	28,058.84
930	Curtiss Wright Flow Controls Service LLC	25,240.15	90.512%	22,845.47
930	Utilities Technology Council	10,008.00	90.512%	9,058.48
930	Southern Company	9,049.95	90.512%	8,191.33
930	American Coal Ash Association	8,700.00	90.512%	7,874.58
930	Carbon Utilization Research Council	8,700.00	90.512%	7,874.58
930	Southeastern Electric Exchange	8,448.00	90.512%	7,646.49
930	Chartwell Inc	8,367.30	90.512%	7,573.44
921/930	Waterways Council Inc	8,011.47	90.512%	7,251.37
921/930	Boston College Center	7,950.00	90.512%	7,195.74
930	PJM Interconnection LLC	7,358.62	90.512%	6,660.46
921	Kentucky Society of CPAs	6,027.44	90.512%	5,455.58
930	University of Missouri	5,500.00	90.512%	4,978.18
921	AICPA	5,159.52	90.512%	4,670.01
500/903/921/930	Various Vendors < \$5,000	89,783.33	90.512%	81,265.05
	Total Base Period - Recoverable	3,407,385.49		3,084,106.45

Base Period - Not Recoverable				
426	Edison Electric Institute	70,602.84	0.000%	-
426	Kentucky Chamber	29,409.70	0.000%	-
426	Carbon Utilization Research Council	8,700.00	0.000%	-
426	Lexington Chamber of Commerce	6,966.95	0.000%	-
426	Waterways Council Inc	5,674.20	0.000%	-
426	Danville Boyle County	2,174.00	0.000%	-
426	Various Vendors < \$2,000	17,269.58	0.000%	-
	Total Base Period - Non-Recoverable	140,797.27		-

Forecasted Test Period - Recoverable				
930	Edison Electric Institute (EEI)	446,705.80	94.070%	420,215.55
930	Electric Power Research Institute (EPRI)	2,072,700.00	94.070%	1,949,786.10
930	Midwest Ozone Group (MOG)	36,437.50	94.070%	34,276.71
930	Utility Air Regulatory Group (UARG)	148,400.00	94.070%	139,599.68
930	Utility Water Act Group (UWAG)	60,420.00	94.070%	56,837.01
930	Utility Solid Waste Activities Group (USWAG)	35,472.90	94.070%	33,369.31
Various	Other Non-Specific KU Dues	417,286.83	94.070%	392,541.16
	Total Forecasted Test Period - Recoverable	3,217,423.03		3,026,625.52

Note> Portion of Forecasted Test Period Recoverable Dues are not completed in specific vendor detail and are shown as "Other Non-Specific KU Dues".

Forecasted Test Period - Not Recoverable				
426	Edison Electric Institute (EEI)	70,071.48	0.000%	-
426	Other Non-Specific KU Dues	69,822.10	0.000%	-
	Total Forecasted Test Period - Non-Recoverable	139,893.58		-

Note> Portion of Forecasted Test Period Non-Recoverable Dues are not completed in specific vendor detail and are shown as "Other Non-Specific KU Dues".

Kentucky Utilities
Case No. 2018-00294
Charitable Contributions
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-2

Account No.	Charitable Organization	Total Utility	Jurisdiction %	Total Jurisdiction
Base Period - Not Recoverable				
426.1	LG&E AND KU FOUNDATION INC	4,000,000	0.000%	-
426.1	HOME ENERGY ASSIST	470,000	0.000%	-
426.1	CENTRE COLLEGE OF KENTUCKY	85,100	0.000%	-
426.1	WINTERCARE INC	64,278	0.000%	-
426.1	LEXINGTON STRIDES AHEAD FOUNDATION	45,000	0.000%	-
426.1	WINTERCARE ENERGY FUND INC	35,522	0.000%	-
426.1	COMMERCE LEXINGTON INC	32,500	0.000%	-
426.1	LEXINGTON HABITAT FOR HUMANITY	31,250	0.000%	-
426.1	CITY OF DANVILLE	29,000	0.000%	-
426.1	HERRINGTON LAKE CONSERVATION LEAGUE	25,000	0.000%	-
426.1	THE ARBORETUM	23,500	0.000%	-
426.1	GODS PANTRY FOOD BANK INC	21,500	0.000%	-
426.1	UNIVERSITY OF KENTUCKY	21,000	0.000%	-
426.1	KAED Foundation	20,000	0.000%	-
426.1	KENTUCKY ASSOCIATION OF MANUFACTURERS INC	17,500	0.000%	-
426.1	URBAN LEAGUE OF LEX FAYETTE COUNTY	17,500	0.000%	-
426.1	DOLLAR ENERGY FUND	15,760	0.000%	-
426.1	LEXINGTON AREA SPORTS AUTHORITY	15,000	0.000%	-
426.1	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	15,000	0.000%	-
426.1	DOWNTOWN LEXINGTON PARTNERSHIP	15,000	0.000%	-
426.1	KENTUCKY ASSOCIATION FOR ECONOMIC DEVELOPMENT	14,800	0.000%	-
426.1	COMMUNITY ACTION COUNCIL	13,711	0.000%	-
426.1	THE NEST CENTER FOR WOMEN CHILDREN & FAMILIES	13,000	0.000%	-
426.1	CAMPBELLSVILLE UNIVERSITY INC	12,800	0.000%	-
426.1	YMCA OF CENTRAL KENTUCKY	11,000	0.000%	-
426.1	JUNIOR ACHIEVEMENT OF THE BLUEGRASS	10,500	0.000%	-
426.1	KENTUCKY BALLET THEATRE	10,000	0.000%	-
426.1	BLUEGRASS TOMORROW INC	10,000	0.000%	-
426.1	LEXARTS	10,000	0.000%	-
426.1	CARROLL COUNTY TRAINING CONSORTIUM	10,000	0.000%	-
426.1	VENDOR < \$10,000	318,413	0.000%	-
Total Base Period		5,433,634		-
Forecasted Test Period - Not Recoverable				
426.1	HOME ENERGY ASSISTANCE	470,000	0.000%	-
426.1	WINTER CARE ENERGY FUND	100,000	0.000%	-
426.1	CENTRE COLLEGE OF KENTUCKY	85,000	0.000%	-
426.1	LEXINGTON STRIDES AHEAD FOUNDATION	45,000	0.000%	-
426.1	LEXINGTON HABITAT FOR HUMANITY	30,000	0.000%	-
426.1	SHAKER VILLAGE OF PLEASANT HILL	25,000	0.000%	-
426.1	PLANT FOR THE PLANET	24,800	0.000%	-
426.1	SOURCE WATER PROTECTION PROGRAM DANVILLE	20,000	0.000%	-
426.1	URBAN LEAGUE OF LEX FAYETTE COUNTY	17,500	0.000%	-
426.1	LEADERSHIP KENTUCKY	15,000	0.000%	-
426.1	LEXINGTON AREA SPORTS AUTHORITY	15,000	0.000%	-
426.1	LUMINATE LEXINGTON	15,000	0.000%	-
426.1	POWER AND ENERGY INSTITUTE OF KENTUCKY	15,000	0.000%	-
426.1	UNIVERSITY OF KENTUCKY COLLEGE OF ENGINEERING	15,000	0.000%	-
426.1	WINTERSHARE MATCH	15,000	0.000%	-
426.1	KENTUCKY CHAMBER OF COMMERCE	13,000	0.000%	-
426.1	BLUEGRASS SPORTS COMMISSION	12,000	0.000%	-
426.1	THE NEST CENTER FOR WOMEN CHILDREN & FAMILIES	11,000	0.000%	-
426.1	KENTUCKY COAL ASSOCIATION	11,000	0.000%	-
426.1	JUNIOR ACHIEVEMENT OF THE BLUEGRASS	10,300	0.000%	-
426.1	ARBORETUM LEXINGTON	10,000	0.000%	-
426.1	CAMPBELLSVILLE UNIVERSITY INC	10,000	0.000%	-
426.1	HERRINGTON LAKE CONSERVATION LEAGUE	10,000	0.000%	-
426.1	KENTUCKY ASSOCIATION OF MANUFACTURERS INC	10,000	0.000%	-
426.1	SCHOOL SUPPLY DRIVE	10,000	0.000%	-
426.1	YMCA OF CENTRAL KENTUCKY	10,000	0.000%	-
426.1	VARIOUS FORECASTED TEST PERIOD CHARITABLE CONTRIBUTIONS	488,500	0.000%	-
Total Forecasted Period		1,513,100		-

Kentucky Utilities
Case No. 2018-00294
Expenditures for Employee Parties and Outings, Employee Gift Expenses
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-3

Account No.	Description	Total Utility	Jurisdiction %	Total Jurisdiction
<u>Base Period - Recoverable</u>				
Various	Safety Recognition	11,401	0.000%	-
	Total Safety Recognition	<u>11,401</u>		<u>-</u>
<u>Base Period - Not Recoverable</u>				
426.5	All Other Employee Recognition	375,059	0.000%	-
	Total All Other Employee Recognition	<u>375,059</u>		<u>-</u>
	Total Base Period	<u><u>386,460</u></u>		<u><u>-</u></u>
<u>Forecasted Test Period - Recoverable</u>				
Various	Safety Recognition	33,829	0.000%	-
	Total Safety Recognition	<u>33,829</u>		<u>-</u>
<u>Forecasted Test Period - Not Recoverable</u>				
426.5	All Other Employee Recognition	638,087	0.000%	-
	Total All Other Employee Recognition	<u>638,087</u>		<u>-</u>
	Total Forecast Period	<u><u>671,916</u></u>		<u><u>-</u></u>

Kentucky Utilities
Case No. 2018-00294
Marketing and Sales Expenditures
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-4

Account No.	Description of Expenses	Base Period			Forecasted Test Period		
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Customer Service & Informational							
907	Supervision	613,538	99.486%	610,383	656,373	98.728%	648,023
908	Customer Assistance	505,175	100.000%	505,175	704,792	100.000%	704,792
910	Miscellaneous Customer Service & Informational	1,384,574	99.762%	1,381,282	1,520,198	99.069%	1,506,052
Totals		2,503,287		2,496,840	2,881,363		2,858,867

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

Sales Expense							
911	Supervision	-	99.547%	-	-	98.728%	-
912	Demonstration & Selling	-	94.892%	-	-	94.892%	-
916	Miscellaneous Sales Expense	-	94.892%	-	-	94.892%	-
Totals		-		-	-		-

Kentucky Utilities
Case No. 2018-00294
Advertising Expenditures
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-5

Account No.	Description of Expenses	Base Period			Forecasted Test Period		
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Recoverable Expenses							
909	Informational or Safety Advertising	696,095	94.947%	660,923	1,859,152	94.892%	1,764,188
	Totals	696,095		660,923	1,859,152		1,764,188
Not Recoverable Expenses							
913	Sales or Promotional Advertising	985,526	94.947%	935,730	1,044,482	94.892%	991,131
930.1	Institutional or Other Advertising	30,509	95.082%	29,008	3,317	95.204%	3,158
	Totals	1,016,035		964,738	1,047,800		994,289

Note> Account 913 and 930.1 are Non-Recoverable expenses for base rate recovery and have been part of proforma adjustments in historical test year rate cases.

Kentucky Utilities
Case No. 2018-00294
Professional Service Expenses
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

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	6,500,041	90.512%	5,883,343	7,510,101	94.070%	7,064,742
Contracted Labor and Materials	5,095,787	90.512%	4,612,319	6,228,611	94.070%	5,859,246
Legal Fees	3,249,274	90.512%	2,940,996	4,406,573	94.070%	4,145,257
Consulting Fees	967,945	90.512%	876,110	1,235,403	94.070%	1,162,142
Accounting and Audit Fees	879,117	90.512%	795,710	948,717	94.070%	892,457
Other	1,174,533	90.512%	1,063,098	1,741,593	94.070%	1,638,314
Totals	17,866,697		15,108,478	22,070,998		19,123,844

Kentucky Utilities
Case No. 2018-00294
Rate Case Expenses
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-7

Account No.	Description of Expense	Total Utility
Total Estimated Kentucky Rate Case Expenses		
182	Legal	\$ 1,034,473
182	Consultants	255,891
182	Newspaper Advertising	1,738,637
Total Estimated Kentucky Rate Case Expenses		\$ 3,029,001

Account No.	Description of Expenses	Base Period		Forecasted Test Period			
		Total Utility	Jurisdiction %	Total Utility	Jurisdiction %	Total Jurisdiction	
Regulatory Commission Expenses							
928	FERC Annual Charge	410,967	88.078%	361,971	441,708	94.101%	415,651
928	Rate Case Amortization	1,272,256	100.000%	1,272,256	1,547,426	100.000%	1,547,426
928	Virginia Rate Case	107,237	0.000%	-	43,333	0.000%	-
928	Miscellaneous	179,344	100.000%	179,344	25,483	100.000%	25,483
Totals		1,969,804		1,813,571	2,057,951		1,988,560

Kentucky Utilities
 Case No. 2018-00294
 Civic and Political Activity Expenses
 Base Period: Twelve Months Ended December 31, 2018
 Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-8

Account No.	Item	Base Period			Forecasted Test Period		
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Not Recoverable Expenses							
426.4	Civic/Political	737,915	0.000%	-	835,950	0.000%	-
Totals		<u>737,915</u>		<u>-</u>	<u>835,950</u>		<u>-</u>

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

Filing Requirement
807 KAR 5:001 Section 16(8)(g)
Sponsoring Witnesses: Daniel K. Arbough / 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. Please also see Mr. Meiman's testimony.

With regard to retirement and welfare benefits, the Company strives to keep the levels of those benefits consistent with market. The Company does so by setting benefit levels in the aggregate so that the entire package of benefits is aligned with market. A separate study from Mercer is attached, which validates the Company's current retirement and welfare benefit levels are at market. Please also see Mr. Meiman's testimony.

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 29, 2018. Note that the attached payroll analysis includes an allocation of LG&E and KU Services ("LKS") labor dollars and employees.

CONFIDENTIAL INFORMATION REDACTED

Kentucky Utilities Company

Case No. 2018-00294

Officer Compensation

Updated Base Period: January 1, 2018 - December 31, 2018

Job Title	Salary ¹	Other Compensation ²
Chairman and CEO ⁴		
Chairman CEO and President		
Chief Financial Officer		
Chief Information Officer		
Chief Operating Officer		
Controller/VP Accounting ⁵		
Gen Counsel/Compl/Corp Sec		
Treasurer		
VP Communications&Corp Respon		
VP Corporate Resp&Comm Affairs		
VP Customer Services		
VP Deputy Gen Cnsl/Env/Corp Sec ³		
VP Electric Distribution		
VP Energy Supply and Analysis		
VP External Affairs		
VP Gas Distribution		
VP Human Resources		
VP Power Production		
VP Project Engineering		
VP State Regulation and Rates		
VP Transmission		
Average of all Officers	\$275,387	\$302,698

¹ Amounts are pro-rated to reflect retirements as noted.

² Other Compensation includes cash based short-term incentives and stock based long-term incentives at target. None of the incentive pay is included in the cost of service.

³ VP Deputy Gen Cnsl/Env/Corp Sec retired 5/1/18.

⁴ Chairman and CEO retired 4/1/18.

⁵ VP Accounting retired 3/1/18.

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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

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 2018.

Base Period Update Response:

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

Kentucky Utilities Company
Case No. 2018-00294
Comparative Income Statement
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

Schedule I-1

Total Company	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2013	2014	2015	2016	2017	12/31/2018	4/30/2020	2020	2021	2022
INCOME STATEMENT										
Operating Revenues										
Electric Operating Revenues	\$ 1,634,793,983	\$ 1,739,900,260	\$ 1,732,900,465	\$ 1,749,336,099	\$ 1,744,333,079	\$ 1,759,605,385	\$ 1,736,087,697	\$ 1,738,844,444	\$ 1,749,542,538	\$ 1,759,493,291
Rate Refunds	-	(2,700,607)	(3,840,132)	-	-	-	-	-	-	-
Total Operating Revenues	1,634,793,983	1,737,199,653	1,729,060,333	1,749,336,099	1,744,333,079	1,759,605,385	1,736,087,697	1,738,844,444	1,749,542,538	1,759,493,291
Operating Expenses										
Fuel for Electric Generation	535,625,319	568,077,779	540,902,679	495,593,569	472,707,320	496,642,584	427,967,733	429,605,215	438,840,384	451,752,006
Power Purchased	79,098,106	108,042,627	52,003,009	39,174,611	45,705,642	44,517,728	58,036,196	53,269,218	58,259,919	58,068,571
Other Operation Expenses	260,213,804	265,953,650	290,543,683	288,619,475	290,559,285	285,156,788	303,384,311	310,475,490	315,870,025	322,542,448
Maintenance	111,758,016	130,920,339	133,441,020	124,991,908	124,242,239	143,871,371	149,598,081	149,914,619	150,460,153	155,117,790
Depreciation & Amortization Expense	185,756,680	196,593,945	220,135,572	234,105,093	254,103,548	273,237,492	358,688,939	369,001,509	373,140,292	383,134,707
Regulatory Debits	-	-	-	151,221	924,553	5,173,651	9,627,285	11,332,400	13,079,197	14,075,715
Current Income Taxes	134,009,461	137,683,605	143,027,809	162,280,172	161,763,817	80,013,228	47,442,654	40,646,149	34,826,674	25,189,198
Property and Other Taxes	32,726,804	35,625,305	38,301,170	39,970,767	41,520,581	43,930,185	48,372,323	49,756,116	52,558,670	56,433,425
Investment Tax Credit	-	-	-	4,601,305	10,450	-	-	-	-	-
Loss(Gain) from Disposition of Allowances	(360)	(546)	(157)	(92)	(52,419)	(62,535)	-	-	-	-
Total Operating Expenses	1,339,187,831	1,442,896,703	1,418,354,785	1,389,488,029	1,391,485,016	1,372,480,492	1,403,117,522	1,414,000,716	1,437,035,313	1,466,313,859
Net Operating Income	295,606,152	294,302,950	310,705,548	359,848,070	352,848,063	387,124,893	332,970,175	324,843,728	312,507,225	293,179,432
Other Income less deductions	2,714,427	2,640,569	4,648,262	1,235,543	882,877	(796,194)	1,095,840	1,102,097	1,121,584	1,160,247
Income before Interest Charges	298,320,579	296,943,519	315,353,809	361,083,613	353,730,940	386,328,699	334,066,015	325,945,825	313,628,809	294,339,679
Interest Charges	70,304,985	77,493,250	82,036,801	95,675,403	96,622,184	99,698,949	116,828,003	120,228,996	131,747,103	134,019,613
Net Income	\$ 228,015,594	\$ 219,450,269	\$ 233,317,008	\$ 265,408,210	\$ 257,108,756	\$ 286,629,750	\$ 217,238,012	\$ 205,716,829	\$ 181,881,707	\$ 160,320,067

Kentucky Utilities Company
Case No. 2018-00294
Comparative Income Statement
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

Schedule I-2

Total Company Revenue Statistics Ultimate Consumer	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2013	2014	2015	2016	2017	12/31/2018	4/30/2020	2020	2021	2022
Revenue by Customer class:										
Residential	\$ 591,313,426	\$ 631,062,022	\$ 611,903,176	\$ 633,811,482	\$ 622,194,583	\$ 651,539,015	\$ 665,768,166	\$ 665,487,673	\$ 666,465,033	\$ 668,621,508
Commercial	\$ 364,914,813	\$ 381,624,816	\$ 379,981,602	\$ 391,730,927	\$ 400,741,031	\$ 406,728,380	\$ 416,936,628	\$ 417,134,828	\$ 419,276,651	\$ 420,926,613
Industrial	\$ 400,872,504	\$ 433,328,131	\$ 429,469,774	\$ 415,695,729	\$ 416,443,589	\$ 387,574,473	\$ 432,582,971	\$ 433,404,283	\$ 438,093,859	\$ 442,086,954
Public Street and Highway Lighting	\$ 10,769,516	\$ 11,417,588	\$ 11,659,583	\$ 12,980,249	\$ 13,144,391	\$ 12,470,660	\$ 13,596,478	\$ 13,616,673	\$ 13,642,164	\$ 13,650,550
Other Sales to Public Authorities	\$ 119,852,921	\$ 127,593,749	\$ 128,411,369	\$ 131,374,630	\$ 131,177,842	\$ 130,264,650	\$ 130,931,034	\$ 130,964,559	\$ 131,691,716	\$ 132,339,359
Rate Refunds	-	(2,700,607)	(3,840,132)	-	-	-	-	-	-	-
Total	\$ 1,487,723,182	\$ 1,582,325,699	\$ 1,557,585,372	\$ 1,585,593,019	\$ 1,583,701,437	\$ 1,588,577,179	\$ 1,659,815,277	\$ 1,660,608,017	\$ 1,669,169,423	\$ 1,677,624,984
Number of Customers by class:										
Residential	446,188	447,301	449,138	451,827	455,091	456,893	459,169	460,422	462,352	464,109
Commercial	83,703	83,615	83,903	84,580	84,959	85,957	84,502	84,704	84,888	85,104
Industrial	2,939	3,044	3,109	2,819	2,664	1,902	2,362	2,370	2,380	2,391
Public Street and Highway Lighting	1,403	1,471	1,486	1,482	1,475	1,461	707	707	707	707
Other Sales to Public Authorities	8,498	8,215	8,418	8,595	8,880	8,946	9,426	9,448	9,471	9,497
Total	542,731	543,646	546,054	549,303	553,069	555,159	556,167	557,652	559,798	561,808
Average Revenue per class:										
Residential	\$ 1,325.26	\$ 1,410.82	\$ 1,362.39	\$ 1,402.77	\$ 1,367.19	\$ 1,426.02	\$ 1,449.94	\$ 1,445.39	\$ 1,441.47	\$ 1,440.66
Commercial	\$ 4,359.64	\$ 4,564.07	\$ 4,528.82	\$ 4,631.48	\$ 4,716.88	\$ 4,731.77	\$ 4,934.02	\$ 4,924.61	\$ 4,939.16	\$ 4,946.04
Industrial	\$ 136,397.59	\$ 142,354.84	\$ 138,137.59	\$ 147,462.12	\$ 156,322.67	\$ 203,772.07	\$ 183,156.98	\$ 182,906.49	\$ 184,082.93	\$ 184,889.06
Public Street and Highway Lighting	\$ 7,676.06	\$ 7,761.79	\$ 7,846.29	\$ 8,758.60	\$ 8,911.45	\$ 8,535.70	\$ 19,225.38	\$ 19,246.65	\$ 19,284.63	\$ 19,295.20
Other Sales to Public Authorities	\$ 14,103.66	\$ 15,531.80	\$ 15,254.38	\$ 15,285.01	\$ 14,772.28	\$ 14,561.22	\$ 13,890.27	\$ 13,861.72	\$ 13,904.41	\$ 13,934.77

Kentucky Utilities Company
Case No. 2018-00294
Comparative Income Statement
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

Schedule I-3

Total Company Sales Statistics Ultimate Consumer	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2013	2014	2015	2016	2017	12/31/2018	4/30/2020	2020	2021	2022
Sales (Kwh) by Customer class:										
Residential	6,597,443,768	6,740,813,176	6,368,650,026	6,416,652,459	6,039,478,457	6,695,891,061	6,341,755,278	6,328,613,735	6,285,642,557	6,261,543,685
Commercial	4,094,011,868	4,071,635,049	3,996,048,573	4,041,728,129	3,963,535,199	4,202,227,784	3,998,304,821	3,988,029,150	3,976,043,101	3,967,026,318
Industrial	7,033,644,793	7,235,685,005	7,009,766,697	6,733,922,217	6,601,695,828	6,543,167,587	6,675,244,722	6,680,086,259	6,662,118,181	6,661,289,383
Public Street and Highway Lighting	42,657,023	43,638,776	43,500,132	45,166,270	45,330,449	43,465,792	55,462,610	54,935,289	53,873,094	52,832,756
Other Sales to Public Authorities	1,622,057,694	1,632,876,268	1,628,429,202	1,643,895,141	1,578,698,575	1,639,942,963	1,514,662,799	1,511,842,025	1,504,831,683	1,502,088,366
Total	19,389,815,146	19,724,648,274	19,046,394,630	18,881,364,216	18,228,738,508	19,124,695,187	18,585,430,230	18,563,506,459	18,482,508,617	18,444,780,508
Number of Customers by class:										
Residential	446,188	447,301	449,138	451,827	455,091	456,893	459,169	460,422	462,352	464,109
Commercial	83,703	83,615	83,903	84,580	84,959	85,957	84,502	84,704	84,888	85,104
Industrial	2,939	3,044	3,109	2,819	2,664	1,902	2,362	2,370	2,380	2,391
Public Street and Highway Lighting	1,403	1,471	1,486	1,482	1,475	1,461	707	707	707	707
Other Sales to Public Authorities	8,498	8,215	8,418	8,595	8,880	8,946	9,426	9,448	9,471	9,497
Total	542,731	543,646	546,054	549,303	553,069	555,159	556,167	557,652	559,798	561,808
Average Volume (Kwh) per class:										
Residential	14,786.24	15,069.97	14,179.72	14,201.57	13,270.92	14,655.27	13,811.36	13,745.23	13,594.94	13,491.54
Commercial	48,911.17	48,695.03	47,627.00	47,785.86	46,652.33	48,887.56	47,315.83	47,081.85	46,838.55	46,614.01
Industrial	2,393,210.21	2,377,031.87	2,254,669.25	2,388,762.76	2,478,114.05	3,440,151.20	2,826,319.49	2,819,148.67	2,799,359.58	2,785,876.21
Public Street and Highway Lighting	30,404.15	29,666.06	29,273.31	30,476.57	30,732.51	29,750.71	78,423.96	77,648.96	76,155.29	74,679.68
Other Sales to Public Authorities	190,875.23	198,767.65	193,446.09	191,261.80	177,781.37	183,315.78	160,688.27	160,018.39	158,884.64	158,163.51

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294

BASE PERIOD : FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

FORECASTED PERIOD : FOR THE 12 MONTHS ENDED APRIL 30, 2020

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. 2018-00294
COST OF CAPITAL SUMMARY
AS OF DECEMBER 31, 2018

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

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

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	AMOUNT (C) \$	ADJUSTMENT AMOUNT (D) \$	ADJUSTED CAPITAL (E=C+D) \$	JURISDICTIONAL RATE BASE PERCENTAGE (F) %	JURISDICTIONAL CAPITAL (G=ExF) \$	JURISDICTIONAL ADJUSTMENTS (H) \$	JURISDICTIONAL ADJUSTED CAPITAL (I=G+H) \$	PERCENT OF TOTAL (J)	COST RATE (K) %	WEIGHTED COST (L=JxK) %
1	SHORT-TERM DEBT	J-2	235,079,778	(37,709)	235,042,069	89.36%	210,033,593	(49,349,304)	160,684,289	4.37%	2.94%	0.13%
2	LONG-TERM DEBT	J-3	2,308,701,209	(370,341)	2,308,330,868	89.36%	2,062,724,463	(484,655,885)	1,578,068,578	42.92%	4.22%	1.81%
3	COMMON EQUITY		2,835,126,676	(778,088)	2,834,348,588	89.36%	2,532,773,898	(595,098,277)	1,937,675,621	52.71%	10.42%	5.49%
4	TOTAL CAPITAL		5,378,907,663	(1,186,139)	5,377,721,524		4,805,531,954	(1,129,103,466)	3,676,428,488	100.00%		7.43%

KENTUCKY UTILITIES COMPANY

Net Original Cost Kentucky Jurisdictional Rate Base as of December 31, 2018

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) (2 - 3 - 4 - 5 - 6)	Other Jurisdictional Rate Base (8)	Total Company Rate Base (9) (2 + 8)
1. Utility Plant at Original Cost	\$ 8,965,743,266	\$ 1,447,391,808	\$ 10,035,622	\$ 176,608,600	\$ -	\$ 7,331,707,237	\$ 1,096,795,854	\$ 10,062,539,120
2. Deduct:								
3. Reserve for Depreciation	3,031,837,890	101,219,034	2,820,630	115,352,638	-	2,812,445,588	397,484,370	3,429,322,259
4. Net Utility Plant	5,933,905,377	1,346,172,774	7,214,991	61,255,962	-	4,519,261,649	699,311,484	6,633,216,861
5. Deduct:								
6. Customer Advances for Construction	1,321,591	-	-	-	-	1,321,591	21,492	1,343,082
7. Accumulated Deferred Income Taxes	1,231,342,214	285,513,390	1,782,548	-	-	944,046,275	143,981,051	1,375,323,265
8. Investment Tax Credit (a)	79,895,707	-	-	-	-	79,895,707	11,728,342	91,624,049
9. Total Deductions	1,312,559,511	285,513,390	1,782,548	-	-	1,025,263,573	155,730,885	1,468,290,396
10. Net Plant Deductions	4,621,345,865	1,060,659,384	5,432,443	61,255,962	-	3,493,998,076	543,580,600	5,164,926,465
11. Add:								
12. Materials and Supplies (b)	106,416,739	-	-	-	-	106,416,739	13,722,792	120,139,531
13. Prepayments (b)(c)	15,276,928	-	-	-	-	15,276,928	917,519	16,194,448
14. Emission Allowances (b)	113,759	113,759	-	-	-	-	15,741	129,500
15. Cash Working Capital	58,160,010	2,850,823	-	-	-	55,309,187	13,397,193	71,557,203
16. Unamortized Closure Costs	60,047,057	60,047,057	-	-	-	-	6,924,049	66,971,107
17. Total Additions	240,014,494	63,011,639	-	-	-	177,002,855	34,977,294	274,991,788
18. Total Net Original Cost Rate Base	\$ 4,861,360,359	\$ 1,123,671,023	\$ 5,432,443	\$ 61,255,962	\$ -	\$ 3,671,000,931	\$ 578,557,894	\$ 5,439,918,253
19. ARO Balance Sheet Offset				(61,255,962)	-	61,255,962		-
20. Total Net Original Cost Rate Base for Capital Allocation	\$ 4,861,360,359	\$ 1,123,671,023	\$ 5,432,443	\$ -	\$ -	\$ 3,732,256,893	\$ 578,557,894	\$ 5,439,918,253
21. Percentage of Rate Base to Total Company Rate Base	89.36%	20.66%	0.10%	0.00%	0.00%	68.61%	10.64%	100.00%

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

(b) Average for 13 months.

(c) Excludes PSC fees.

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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

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 2018.

Base Period Update Response:

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

Kentucky Utilities Company
Case No. 2018-00294
Comparative Financial Data
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

Line No.	Description	Forecasted Period (a)	Base Period	Ten most recent calendar years										
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
1	Utility Plant in Service (\$000)													
2	Electric Plant													
3	Electric Distribution	\$ 2,092,469	\$ 1,898,261	\$ 1,803,849	\$ 1,746,541	\$ 1,662,187	\$ 1,607,084	\$ 1,534,956	\$ 1,475,676	\$ 1,406,474	\$ 1,349,275	\$ 1,302,009	\$ 1,231,342	
4	Electric General	235,340	210,040	186,443	182,877	177,719	174,933	152,501	143,158	137,494	126,013	112,810	109,060	
5	Hydro Production Plant	43,887	43,950	42,379	42,371	39,799	39,469	38,944	33,953	28,640	16,849	12,859	11,843	
6	Electric Intangible Plant	104,004	118,943	118,689	98,266	92,355	81,831	70,120	60,375	58,649	52,326	51,698	27,889	
7	Electric Other Production	1,096,599	1,034,405	1,026,416	997,075	969,359	550,836	548,183	540,195	526,993	523,150	523,200	503,261	
8	Electric Steam Production	5,517,549	5,213,806	5,172,803	5,142,959	5,065,548	4,564,415	3,896,763	3,797,974	3,627,077	2,725,170	2,239,550	2,023,377	
9	Electric Transmission	1,200,108	1,038,306	924,692	874,918	807,381	768,438	728,201	690,259	656,885	627,463	529,058	529,108	
10	Total Electric Plant - Gross	10,289,956	9,557,711	9,275,271	9,085,007	8,814,348	7,787,006	6,969,668	6,741,590	6,442,212	5,420,246	4,771,184	4,435,880	
11	Less: Accumulated Depreciation and Amortization	3,577,807	3,429,322	3,238,142	3,051,198	2,849,852	2,798,969	2,647,411	2,519,600	2,395,038	2,261,927	2,168,491	2,052,492	
12	Electric Plant in Service-Net	\$ 6,712,149	\$ 6,128,389	\$ 6,037,129	\$ 6,033,809	\$ 5,964,496	\$ 4,988,037	\$ 4,322,257	\$ 4,221,990	\$ 4,047,174	\$ 3,158,319	\$ 2,602,693	\$ 2,383,388	
13	Plant Purchased or Sold	-	-	-	-	-	-	-	-	484	484	-	-	
14	Plant Held for Future Use	1,913	1,913	1,913	748	634	634	325	-	793	121,621	120,828	10,138	
15	Construction Work In Progress	199,123	502,916	321,168	180,793	267,027	880,068	1,138,613	490,182	339,711	954,430	1,257,409	1,176,440	
16	Property Under Operating Lease (net Accumulated Depreciation)	21,577	-	-	-	-	-	-	-	-	-	-	-	
17	Net Utility Plant	\$ 6,934,762	\$ 6,633,218	\$ 6,360,210	\$ 6,215,350	\$ 6,232,157	\$ 5,868,739	\$ 5,461,195	\$ 4,712,172	\$ 4,388,162	\$ 4,234,854	\$ 3,980,930	\$ 3,569,966	
18	Capital Structure: (\$000)													
19	(\$'s Based on Period-End Accounts)													
20	Short-Term Debt	\$ 116,497	\$ 235,080	\$ 44,958	\$ 15,999	\$ 47,997	\$ 235,592	\$ 149,967	\$ 69,992	\$ -	\$ 10,434	\$ 77,975	\$ 16,247	
21	Long-Term Debt	2,608,922	2,308,701	2,315,328	2,313,016	2,311,299	2,062,562	2,060,555	1,810,590	1,807,216	1,806,360	1,630,952	1,513,752	
22	Common Equity	3,036,932	2,835,127	2,749,497	2,716,575	2,679,353	2,599,430	2,437,296	2,176,783	2,128,238	2,075,467	1,951,966	1,743,493	
23	Total	\$ 5,762,351	\$ 5,378,908	\$ 5,109,783	\$ 5,045,590	\$ 5,038,649	\$ 4,897,584	\$ 4,647,818	\$ 4,057,365	\$ 3,935,454	\$ 3,892,261	\$ 3,660,893	\$ 3,273,492	
24	Condensed Income Statement Data: (\$000)													
25	Operating Revenues	\$ 1,736,088	\$ 1,759,605	\$ 1,744,333	\$ 1,749,336	\$ 1,729,060	\$ 1,737,200	\$ 1,634,794	\$ 1,523,826	\$ 1,547,517	\$ 1,511,710	\$ 1,356,189	\$ 1,404,042	
26	Operating Expenses (Excluding Income Taxes)	1,307,303	1,248,537	1,188,190	1,182,636	1,237,026	1,269,588	1,172,452	1,177,306	1,167,734	1,139,345	1,065,322	1,124,734	
27	Federal and State Income Taxes	13,099	29,731	7,784	38,719	(18,299)	(87,627)	64,135	(20,749)	(2,486)	74,415	(3,134)	53,239	
28	Deferred Federal and State Income Taxes	34,343	50,282	153,980	123,562	161,327	225,311	69,875	115,044	111,563	25,586	53,275	(13,353)	
29	Property and Other Taxes	48,372	43,930	41,521	39,971	38,300	35,625	32,726	31,090	28,116	19,896	20,955	20,661	
30	Investment Tax Credit	-	-	10	4,601	-	-	-	-	-	-	21,416	25,267	
31	Net Operating Income	332,970	387,125	352,848	359,847	310,706	294,303	295,606	221,135	242,590	252,468	198,355	193,494	
32	AFUDC - Equity	4	763	289	381	1,976	1,388	485	50	43	521	3,906	6,041	
33	Amortization of Investment Tax Credit	1,896	2,234	1,927	1,846	1,871	1,871	2,800	2,686	-	-	-	-	
34	Other Income (Deductions), Net	(804)	(3,793)	(1,333)	(991)	826	(619)	359	(9,181)	1,750	1,130	6,133	29,381	
35	Income before Interest Charges	334,066	386,329	353,731	361,083	315,354	296,943	298,321	214,804	247,069	254,119	208,394	228,916	
36	Interest Charges	116,828	99,699	96,622	95,675	82,037	77,493	70,305	68,803	70,334	78,625	75,067	71,650	
37	Net Income Available for Common Equity	\$ 217,238	\$ 286,630	\$ 257,109	\$ 265,408	\$ 233,317	\$ 219,450	\$ 228,016	\$ 146,001	\$ 176,735	\$ 175,494	\$ 133,327	\$ 157,266	

Kentucky Utilities Company
Case No. 2018-00294
Comparative Financial Data
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

Line No.	Description	Forecasted Period (a)	Base Period	Ten most recent calendar years										
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
38	Cash Flow (in millions)													
39	Net operating cash flows	532	581	634	606	608	566	495	500	444	374	253	292	
40	Net investing cash flows	(533)	(561)	(428)	(349)	(512)	(603)	(853)	(480)	(279)	(429)	(507)	(695)	
41	Net Free Cash Flow before dividends	\$ (1)	\$ 20	\$ 206	\$ 257	\$ 96	\$ (37)	\$ (358)	\$ 20	\$ 165	\$ (55)	\$ (254)	\$ (403)	
42	Cost of Capital:													
43	Embedded Cost of Debt (Short and Long Term)	4.29%	3.92%	4.14%	4.08%	3.96%	3.36%	3.52%	3.57%	3.68%	3.76%	4.56%	4.64%	
44	Fixed Charge Coverages:													
45	Ratio of Earnings to Fixed Charges	3.2	4.5	5.2	5.3	5.3	5.4	5.9	4.2	4.8	4.2	3.7	3.9	
46	Stock and Bond Ratings:													
47	Moody's Senior Secured	N/A	A1	A1	A1	A1	A1	A2	A2	A2	A2	N/A	N/A	
48	S&P Senior Secured	N/A	A	A	A	A	A-	A-	A-	A-	A	N/A	N/A	
49	Fitch Senior Secured	N/A	N/A	N/A	N/A	N/A	A+	A+	A+	A+	A+	N/A	N/A	
50	Moody's Commercial Paper	N/A	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-1	P-1	
51	S&P Commercial Paper	N/A	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	
52	Fitch Commercial Paper	N/A	N/A	N/A	N/A	N/A	F2	F2	F2	F2	F2	N/A	N/A	
53	Common Stock Related Data:													
54	Dividend Payout Ratio (Declared Basis)	0.65	0.86	0.88	0.93	0.66	0.67	0.54	0.68	0.70	0.28	-	-	
55	Rate of Return Measures:													
56	Return on Common Equity (13 Month Average)	7.24%	10.11%	9.43%	9.82%	8.81%	8.69%	9.88%	6.78%	8.39%	8.69%	7.22%	9.97%	

(a) Data for forecast does not reflect any impact from rate case activity.

(62) Prior to 2010, 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. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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.

Kentucky Utilities Company
Case No. 2018-00294
Base Period Revenues at Current Rates
for the Twelve Months Ending December 31, 2018

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

Schedule M-1.1
Page 1 of 1
Witness: W. S. SEELYE

Rate Class	Total Revenue at Present Rates
Residential Service	\$ 630,488,798
Residential Time-of-Day Service	\$ 58,573
General Service	\$ 224,217,550
All Electric School Service	\$ 11,974,138
Power Service Secondary	\$ 166,755,600
Power Service Primary	\$ 12,675,509
Time-of-Day Secondary Service	\$ 122,821,467
Time-of-Day Primary Service	\$ 244,697,372
Retail Transmission Service	\$ 84,112,885
Fluctuating Load Service	\$ 32,040,458
Curtable Service Riders	\$ (18,161,939)
Lighting Energy Service	\$ 176,474
Traffic Energy Service	\$ 218,293
Outdoor Sports Lighting Service Secondary	\$ 130,064
Outdoor Sports Lighting Service Primary	\$ -
School Power Service	\$ 3,522,938
School Time of Day Service	\$ 8,072,301
Electric Vehicle Charging Service	\$ 970
Lighting Service and Restricted Lighting Service	<u>\$ 28,932,290</u>
Sales to Ultimate Customers	\$ 1,552,733,741
Other Operating Revenue:	
Late Payment Charge	\$ 4,043,071
Electric Service Revenues	\$ 2,205,386
Rent from Electric Property	\$ 9,545,071
Other Miscellaneous Revenue	<u>\$ 24,667,299</u>
Total Operating Revenues	\$ 1,593,194,568

Kentucky Utilities Company
Case No. 2018-00294
Average Bill at Current Rates
for the Twelve Months Ending December 31, 2018

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

Schedule M-1.2
Page 1 of 1
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	5,185,582	6,413,038,989	1,237	\$ 630,488,798	\$ 121.58
Residential Time-of-Day Service Rate	<u>548</u>	<u>644,568</u>	<u>1,176</u>	<u>\$ 58,573</u>	<u>\$ 106.88</u>
Residential Service Rates	5,186,130	6,413,683,557	1,237	\$ 630,547,371	\$ 121.58
General Service Rate	991,567	1,838,306,848	1,854	\$ 224,217,550	\$ 226.12
All Electric School Service Rate	5,927	142,250,006	24,000	\$ 11,974,138	\$ 2,020.27
Power Service Secondary Rate	53,536	1,855,494,140	34,659	\$ 166,755,600	\$ 3,114.83
Power Service Primary Rate	<u>2,422</u>	<u>138,523,424</u>	<u>57,194</u>	<u>\$ 12,675,509</u>	<u>\$ 5,233.49</u>
Power Service Rates	55,958	1,994,017,564	35,634	\$ 179,431,109	\$ 3,206.53
Time of Day Secondary Service Rate	7,685	1,713,222,264	222,931	\$ 122,821,468	\$ 15,981.97
Time of Day Primary Service Rate	<u>3,001</u>	<u>4,011,624,437</u>	<u>1,336,763</u>	<u>\$ 244,697,372</u>	<u>\$ 81,538.61</u>
Time of Day Service Rates	10,686	5,724,846,701	535,733	\$ 367,518,840	\$ 34,392.55
Retail Transmission Service Rate	298	1,502,796,599	5,042,942	\$ 84,112,885	\$ 282,258.00
Fluctuating Load Service Rate	12	628,992,000	52,416,000	\$ 32,040,458	\$ 2,670,038.19
Curtable Service Riders	99	-	-	\$ (18,161,939)	\$ (183,453.93)
Lighting Energy Service Rate	682	71,105	104	\$ 176,474	\$ 258.76
Traffic Energy Service Rate	12,402	156,234	13	\$ 218,293	\$ 17.60
Outdoor Sports Lighting Service Secondary Rate	77	466,921	6,064	130,064	\$ 1,689.14
Outdoor Sports Lighting Service Primary Rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Outdoor Sports Lighting Service Rates	77	466,921	6,064	\$ 130,064	\$ 1,689.14
School Power Service Rate	772	36,416,985	47,172	\$ 3,522,938	\$ 4,563.39
School Time of Day Service Rate	749	98,358,184	131,319	\$ 8,072,301	\$ 10,777.44
Electric Vehicle Charging Service Rate	29	1,370	47	\$ 970	\$ 33.45
Lighting and Restricted Lighting Service Rates	2,069,490	123,279,153	60	28,932,290	\$ 13.98

Kentucky Utilities Company
Case No. 2018-00294
Summary of Base Revenues
for the Twelve Months Ended December 31, 2018

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

Schedule M-1.3
Page 1 of 25
Witness: W. S. SEELYE

Rate Class	Base Period Revenues	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 TCJA	Actual Net Revenue at Base Rates	Calculated Net Base Period Revenue at Base Rates
Residential Service Rate	\$ 630,488,798	\$ (11,322,877)	\$ 15,542,335	\$ 3,809,905	\$ (903,426)	\$ (18,174,374)	\$ 641,537,234	\$ 641,537,234
Residential Time-of-Day Service Rate	\$ 58,573	\$ (1,260)	\$ 1,562	\$ 233	\$ (101)	\$ -	\$ 60,186	\$ 60,186
Residential Service Rates	\$ 630,547,371	\$ (11,324,137)	\$ 15,543,897	\$ 3,810,138	\$ (903,527)	\$ (18,174,374)	\$ 641,597,419	\$ 641,597,419
General Service Rate	\$ 224,217,550	\$ (3,270,431)	\$ 2,771,594	\$ 1,087,597	\$ (262,704)	\$ -	\$ 228,194,183	\$ 228,194,183
All Electric School Rate	\$ 11,974,138	\$ (243,952)	\$ 117,014	\$ 67,610	\$ (20,557)	\$ -	\$ 12,362,541	\$ 12,362,541
Power Service Secondary Rate	\$ 166,755,600	\$ (3,325,492)	\$ 877,910	\$ 549,451	\$ (271,109)	\$ (4,486,039)	\$ 173,410,879	\$ 173,410,879
Power Service Primary Rate	\$ 12,675,509	\$ (240,496)	\$ 51,725	\$ 45,514	\$ (20,064)	\$ (319,566)	\$ 13,158,395	\$ 13,158,395
Power Service Rates	\$ 179,431,109	\$ (3,565,987)	\$ 929,634	\$ 594,965	\$ (291,173)	\$ (4,805,605)	\$ 186,569,275	\$ 186,569,275
Time of Day Secondary Service Rate	\$ 122,821,467	\$ (3,086,068)	\$ 472,039	\$ 326,208	\$ (257,223)	\$ (4,214,109)	\$ 129,580,620	\$ 129,580,620
Time of Day Primary Service Rate	\$ 244,697,372	\$ (7,010,504)	\$ 483,763	\$ 855,579	\$ (591,343)	\$ (9,640,924)	\$ 261,571,905	\$ 261,571,905
Time of Day Service Rates	\$ 367,518,840	\$ (10,096,572)	\$ 955,803	\$ 1,181,787	\$ (848,566)	\$ (13,855,033)	\$ 391,152,525	\$ 391,152,525
Retail Transmission Service Rate	\$ 84,112,885	\$ (2,509,167)	\$ 13,787	\$ 361,342	\$ (217,846)	\$ (3,440,708)	\$ 90,319,255	\$ 90,319,255
Fluctuating Load Service Rate	\$ 32,040,458	\$ (987,552)	\$ -	\$ 159,322	\$ (87,573)	\$ (1,439,456)	\$ 34,395,718	\$ 34,395,718
Curtable Service Riders	\$ (18,161,939)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,161,939)	\$ (18,161,939)
Lighting Energy Rate	\$ 176,474	\$ (5,568)	\$ -	\$ (295)	\$ (435)	\$ (7,582)	\$ 190,354	\$ 190,354
Traffic Energy Rate	\$ 218,293	\$ (3,544)	\$ -	\$ 701	\$ (289)	\$ (4,601)	\$ 226,027	\$ 226,027
Outdoor Sports Lighting Service Secondary Rate	\$ 130,064	\$ (770)	\$ 245	\$ 90	\$ (68)	\$ (1,015)	\$ 131,582	\$ 131,582
Outdoor Sports Lighting Service Primary Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outdoor Sports Lighting Service Rates	\$ 130,064	\$ (770)	\$ 245	\$ 90	\$ (68)	\$ (1,015)	\$ 131,582	\$ 131,582
School Power Service Rate	\$ 3,522,938	\$ (53,086)	\$ 19,102	\$ 18,027	\$ (4,099)	\$ (74,060)	\$ 3,617,053	\$ 3,617,053
School Time of Day Service Rate	\$ 8,072,301	\$ (142,936)	\$ 51,614	\$ 46,682	\$ (11,075)	\$ (199,921)	\$ 8,327,935	\$ 8,327,935
Electric Vehicle Charging Service Rate	\$ 970	\$ (7)	\$ -	\$ 3	\$ -	\$ -	\$ 973	\$ 973
Lighting Service	\$ 25,418,113	\$ (187,632)	\$ -	\$ 92,633	\$ (16,034)	\$ -	\$ 25,766,341	\$ 25,766,341
Restricted Lighting Service	\$ 3,514,177	\$ (28,557)	\$ -	\$ 14,277	\$ (2,479)	\$ -	\$ 3,566,705	\$ 3,566,705
Lighting and Restricted Lighting Service Rates	\$ 28,932,290	\$ (216,189)	\$ -	\$ 106,910	\$ (18,513)	\$ -	\$ 29,333,046	\$ 29,333,046
TOTAL ULTIMATE CUSTOMERS	\$ 1,552,733,741	\$ (32,419,898)	\$ 20,402,691	\$ 7,434,880	\$ (2,666,425)	\$ (42,002,354)	\$ 1,608,255,948	\$ 1,608,255,948
Late Payment Charges	\$ 4,043,071						\$ 4,043,071	\$ 4,043,071
Electric Service Revenues	\$ 2,205,386						\$ 2,205,386	\$ 2,205,386
Rent from Electric Property	\$ 9,545,071						\$ 9,545,071	\$ 9,545,071
Other Miscellaneous Electric Revenue	\$ 24,667,299						\$ 24,667,299	\$ 24,667,299
TOTAL JURISDICTIONAL	\$ 1,593,194,568	\$ (32,419,898)	\$ 20,402,691	\$ 7,434,880	\$ (2,666,425)	\$ (42,002,354)	\$ 1,648,716,775	\$ 1,648,716,775

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
RESIDENTIAL RATE RS, inclusive of Volunteer Fire Department				
Basic Service Charge	5,185,582		\$ 12.25	\$ 63,523,380
Partial Month, Prorated and Corrected Billings				\$ 17,852
Energy Charge (Jan)		910,776,720	\$ 0.08795	\$ 80,102,813
Energy Charge (Feb-Dec)		5,502,262,269	\$ 0.09047	\$ 497,789,667
Minimum and Partial Month Billings, Energy				\$ 103,522
Total Calculated at Base Rates				\$ 641,537,234
Correction Factor				<u>1.000000</u>
Total After Application of Correction Factor				\$ 641,537,234
FAC Mechanism Revenue				\$ (11,322,877)
DSM Mechanism Revenue				\$ 15,542,335
ECR Mechanism Revenue				\$ 3,809,905
OSS Mechanism Revenue				\$ (903,426)
TCJA Surcredit				\$ (18,174,374)
Total Base Period Adjusted Revenues				<u>\$ 630,488,798</u>

Kentucky Utilities Company
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Detailed Calculation of Base Period Revenues
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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 Charge	548			\$ 12.25	\$ 6,713
Partial Month, Prorated and Corrected Billings					\$ (43)
Energy Charge (RTOD-Demand Only) (Jan)			0	\$ 0.04226	\$ 0
Energy Charge (RTOD-Demand Only) (Feb-Dec)			25,536	\$ 0.04478	\$ 1,144
Energy Charge, Off-Peak (RTOD-Energy Only) (Jan)			63,361	\$ 0.05640	\$ 3,574
Energy Charge, Off-Peak (RTOD-Energy Only) (Feb-Dec)			483,537	\$ 0.05892	\$ 28,490
Energy Charge, Peak (RTOD-Energy Only) (Jan)			8,229	\$ 0.27363	\$ 2,252
Energy Charge, Peak (RTOD-Energy Only) (Feb-Dec)			63,905	\$ 0.27615	\$ 17,647
Minimum and Partial Month Billings, Energy					\$ 4
Peak Demand		35		\$ 7.87	\$ 274
Off-Peak Demand		38		\$ 3.44	\$ 132
Minimum and Partial Month Billings, Demand					\$ 0
Total Calculated at Base Rates					\$ 60,186
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 60,186
FAC Mechanism Revenue					\$ (1,260)
DSM Mechanism Revenue					\$ 1,562
ECR Mechanism Revenue					\$ 233
OSS Mechanism Revenue					\$ (101)
TCJA Surcredit					\$ (2,046)
Total Base Period Adjusted Revenues					<u>\$ 58,573</u>

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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
GENERAL SERVICE RATE GS					
Single Phase Basic Service Charge	762,614			\$ 31.50	\$ 24,022,341
Single Phase Partial Month, Prorated and Corrected Billings					\$ 371,469
Single Phase Energy Charge (Jan)			94,124,480	\$ 0.10154	\$ 9,557,400
Single Phase Energy Charge (Feb-Dec)			674,675,117	\$ 0.10490	\$ 70,773,420
Single Phase Minimum and Partial Month Billings, Energy					\$ 8,496
Three Phase Basic Service Charge	228,953			\$ 50.40	\$ 11,539,231
Three Phase Partial Month, Prorated and Corrected Billings					\$ 87,137
Three Phase Energy Charge (Jan)			108,704,588	\$ 0.10154	\$ 11,037,864
Three Phase Energy Charge (Feb-Dec)			960,802,663	\$ 0.10490	\$ 100,788,199
Three Phase Minimum and Partial Month Billings, Energy					\$ 8,626
Total Calculated at Base Rates					\$ 228,194,183
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 228,194,183
FAC Mechanism Revenue					\$ (3,270,431)
DSM Mechanism Revenue					\$ 2,771,594
ECR Mechanism Revenue					\$ 1,087,597
OSS Mechanism Revenue					\$ (262,704)
TCJA Surcredit					\$ (4,302,689)
Total Base Period Adjusted Revenues					<u>\$ 224,217,550</u>

Kentucky Utilities Company
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
ALL ELECTRIC SCHOOLS RATE AES				
Single Phase Customer Charge	2,979		\$ 85.00	\$ 253,215
Single Phase Partial Month, Prorated and Corrected Billings				\$ 4,072
Single Phase Energy Charge (Jan)		966,555	\$ 0.08030	\$ 77,614
Single Phase Energy Charge (Feb-Dec)		5,143,577	\$ 0.08244	\$ 424,036
Single Phase Minimum and Partial Month Billings, Energy				\$ (297)
Three Phase Customer Charge	2,948		\$ 140.00	\$ 412,720
Three Phase Partial Month, Prorated and Corrected Billings				\$ 7,114
Three Phase Energy Charge (Jan)		16,268,415	\$ 0.08030	\$ 1,306,354
Three Phase Energy Charge (Feb-Dec)		119,871,459	\$ 0.08244	\$ 9,882,203
Three Phase Minimum and Partial Month Billings, Energy				\$ (4,491)
Total Calculated at Base Rates				\$ 12,362,541
Correction Factor				<u>1.000000</u>
Total After Application of Correction Factor				\$ 12,362,541
FAC Mechanism Revenue				\$ (243,952)
DSM Mechanism Revenue				\$ 117,014
ECR Mechanism Revenue				\$ 67,610
OSS Mechanism Revenue				\$ (20,557)
TCJA Surcredit				\$ (308,518)
Total Base Period Adjusted Revenues				<u>\$ 11,974,138</u>

Kentucky Utilities Company
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
POWER SERVICE RATE PS-Secondary					
Basic Service Charge	53,536			\$ 90.00	\$ 4,818,240
Partial Month, Prorated and Corrected Billings					\$ 30,285
Energy Charge			1,855,494,140	\$ 0.03270	\$ 60,674,658
Minimum and Partial Month Billings, Energy					\$ 5
Summer Demand, kW		3,672,826		\$ 21.03	\$ 77,239,525
Winter Demand, kW (Jan)		492,249		\$ 17.95	\$ 8,835,861
Winter Demand, kW (Feb-Apr, Oct-Dec)		1,302,562		\$ 18.81	\$ 24,501,196
Partial Month and Prorated Billings, Demand					\$ (3,115,892)
Redundant Capacity Rider		410,577		\$ 1.04	\$ 427,000
Total Calculated at Base Rates					\$ 173,410,879
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 173,410,879
FAC Mechanism Revenue					\$ (3,325,492)
DSM Mechanism Revenue					\$ 877,910
ECR Mechanism Revenue					\$ 549,451
OSS Mechanism Revenue					\$ (271,109)
TCJA Surcredit					\$ (4,486,039)
Total Base Period Adjusted Revenues					\$ <u>166,755,600</u>

Kentucky Utilities Company
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
POWER SERVICE RATE PS-Primary					
Basic Service Charge	2,422			\$ 240.00	\$ 581,280
Partial Month, Prorated and Corrected Billings					\$ 11,131
Energy Charge			138,523,424	\$ 0.03171	\$ 4,392,578
Minimum and Partial Month Billings, Energy					\$ 0
Summer Demand, kW		273,490		\$ 21.21	\$ 5,800,721
Winter Demand, kW (Jan)		38,835		\$ 18.16	\$ 705,241
Winter Demand, kW (Feb-Apr, Oct-Dec)		92,935		\$ 19.02	\$ 1,767,615
Partial Month and Prorated Billings, Demand					\$ (222,048)
Redundant Capacity Rider		141,718		\$ 0.86	\$ 121,878
Total Calculated at Base Rates					\$ 13,158,395
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 13,158,395
FAC Mechanism Revenue					\$ (240,496)
DSM Mechanism Revenue					\$ 51,725
ECR Mechanism Revenue					\$ 45,514
OSS Mechanism Revenue					\$ (20,064)
TCJA Surcredit					\$ (319,566)
Total Base Period Adjusted Revenues					\$ <u>12,675,509</u>

Kentucky Utilities Company
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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
TIME OF DAY SECONDARY SERVICE RATE TODS					
Basic Service Charge	7,685			\$ 200.00	\$ 1,537,000
Partial Month, Prorated and Corrected Billings					\$ (686)
Energy Charge			1,713,222,264	\$ 0.03229	\$ 55,319,947
Minimum and Partial Month Billings, Energy					\$ (10,901)
Demand kW Base (Jan)		453,513		\$ 2.73	\$ 1,238,090
Demand kW Base (Feb-Dec)		4,726,032		\$ 3.03	\$ 14,319,878
Demand kW Intermediate (Jan)		323,906		\$ 6.11	\$ 1,979,065
Demand kW Intermediate (Feb-Dec)		3,525,152		\$ 6.41	\$ 22,596,222
Demand kW Peak (Jan)		314,876		\$ 7.79	\$ 2,452,883
Demand kW Peak (Feb-Dec)		3,445,654		\$ 8.09	\$ 27,875,341
Partial Month and Prorated Billings, Demand					\$ 547,063
Redundant Capacity Rider		1,660,305		\$ 1.04	\$ 1,726,718
Economic Development Rider					\$ 0
Total Calculated at Base Rates					\$ 129,580,620
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 129,580,620
FAC Mechanism Revenue					\$ (3,086,068)
DSM Mechanism Revenue					\$ 472,039
ECR Mechanism Revenue					\$ 326,208
OSS Mechanism Revenue					\$ (257,223)
TCJA Surcredit					\$ (4,214,109)
Total Base Period Adjusted Revenues					\$ <u>122,821,468</u>

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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
TIME OF DAY PRIMARY SERVICE RATE TODP					
Basic Service Charge	3,001			\$ 330.00	\$ 990,330
Partial Month, Prorated and Corrected Billings					\$ 35,362
Energy Charge			4,011,624,437	\$ 0.03136	\$ 125,804,542
Minimum and Partial Month Billings, Energy					\$ 11,667
Demand kVA Base (Jan)		958,336		\$ 2.75	\$ 2,635,424
Demand kVA Base (Feb-Dec)		9,453,647		\$ 3.03	\$ 28,644,549
Demand kVA Intermediate (Jan)		709,441		\$ 5.03	\$ 3,568,488
Demand kVA Intermediate (Feb-Dec)		8,022,715		\$ 5.31	\$ 42,600,616
Demand kVA Peak (Jan)		700,523		\$ 6.43	\$ 4,504,364
Demand kVA Peak (Feb-Dec)		7,912,082		\$ 6.71	\$ 53,090,067
Partial Month and Prorated Billings, Demand Redundant Capacity Rider		0		\$ 0.86	\$ (313,504) 0
Economic Development Rider					\$ (971,104)
Total Calculated at Base Rates					\$ 260,600,801
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 260,600,801
FAC Mechanism Revenue					\$ (7,010,504)
DSM Mechanism Revenue					\$ 483,763
ECR Mechanism Revenue					\$ 855,579
OSS Mechanism Revenue					\$ (591,343)
TCJA Surcredit					\$ (9,640,924)
Total Base Period Adjusted Revenues					\$ <u>244,697,372</u>

Kentucky Utilities Company
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Detailed Calculation of Base Period Revenues
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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
RETAIL TRANSMISSION SERVICE RATE RTS					
Basic Service Charge	298			\$ 1,500.00	\$ 447,000
Partial Month, Prorated and Corrected Billings					\$ 16,700
Energy Charge			1,502,796,599	\$ 0.03058	\$ 45,955,520
Minimum and Partial Month Billings, Energy					\$ (0)
Demand kVA Base (Jan)		327,407		\$ 1.99	\$ 651,540
Demand kVA Base (Feb-Dec)		3,122,386		\$ 2.23	\$ 6,962,921
Demand kVA Intermediate (Jan)		294,181		\$ 4.94	\$ 1,453,256
Demand kVA Intermediate (Feb-Dec)		2,844,957		\$ 5.18	\$ 14,736,875
Demand kVA Peak (Jan)		291,184		\$ 6.31	\$ 1,837,369
Demand kVA Peak (Feb-Dec)		2,809,784		\$ 6.55	\$ 18,404,084
Partial Month and Prorated Billings, Demand					\$ (146,010)
Economic Development Rider					\$ (413,779)
Total Calculated at Base Rates					\$ 89,905,476
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 89,905,476
FAC Mechanism Revenue					\$ (2,509,167)
DSM Mechanism Revenue					\$ 13,787
ECR Mechanism Revenue					\$ 361,342
OSS Mechanism Revenue					\$ (217,846)
TCJA Surcredit					\$ (3,440,708)
Total Base Period Adjusted Revenues					\$ <u>84,112,885</u>

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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
FLUCTUATING LOAD SERVICE RATE FLS					
Primary Delivery					
Basic Service Charge	0			\$ 330.00	\$ 0
Partial Month, Prorated and Corrected Billings					\$ 0
Energy Charge			0	\$ 0.03136	\$ 0
Minimum and Partial Month Billings, Energy					\$ 0
Demand kVA Base (Jan)		0		\$ 2.45	\$ 0
Demand kVA Base (Feb-Dec)		0		\$ 2.57	\$ 0
Demand kVA Intermediate (Jan)		0		\$ 4.48	\$ 0
Demand kVA Intermediate (Feb-Dec)		0		\$ 4.60	\$ 0
Demand kVA Peak (Jan)		0		\$ 5.91	\$ 0
Demand kVA Peak (Feb-Dec)		0		\$ 6.03	\$ 0
Partial Month and Prorated Billings, Demand					\$ 0
Transmission Delivery					
Basic Service Charge	12			\$ 1,500.00	\$ 18,000
Partial Month, Prorated and Corrected Billings					\$ 0
All Energy			628,992,000	\$ 0.03036	\$ 19,096,197
Minimum and Partial Month Billings, Energy					\$ 0
Demand kVA Base (Jan)		202,571		\$ 1.53	\$ 309,933
Demand kVA Base (Feb-Dec)		2,203,606		\$ 1.65	\$ 3,635,950
Demand kVA Intermediate (Jan)		202,571		\$ 2.29	\$ 463,887
Demand kVA Intermediate (Feb-Dec)		2,203,606		\$ 2.41	\$ 5,310,690
Demand kVA Peak (Jan)		135,370		\$ 3.25	\$ 439,953
Demand kVA Peak (Feb-Dec)		1,520,229		\$ 3.37	\$ 5,123,171
Partial Month and Prorated Billings, Demand					\$ (2,063)
Total Calculated at Base Rates					\$ 34,395,718
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 34,395,718
FAC Mechanism Revenue					\$ (987,552)
DSM Mechanism Revenue					\$ 0
ECR Mechanism Revenue					\$ 159,322
OSS Mechanism Revenue					\$ (87,573)
TCJA Surcredit					\$ (1,439,456)
Total Base Period Adjusted Revenues					<u>\$ 32,040,458</u>

Kentucky Utilities Company
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	Customer Months	Curtable Demand, kVA	Unit Charges	Calculated Revenue
CURTAILABLE SERVICE RIDERS				
CSR-1 Transmission Voltage Service	0	0	\$ (3.20)	\$ 0
CSR-1 Primary Voltage Service	8	63,807	\$ (3.31)	\$ (211,200)
CSR-2 Transmission Voltage Service	67	2,894,409	\$ (5.90)	\$ (17,077,013)
CSR-2 Primary Voltage Service	24	145,621	\$ (6.00)	\$ (873,726)
Non-Compliance Charge		0	\$ 16.00	\$ 0
Total Calculated at Base Rates				\$ (18,161,939)
Correction Factor				<u>1.000000</u>
Total After Application of Correction Factor				\$ (18,161,939)
Total Test Year Adjusted Revenues				\$ <u>(18,161,939)</u>

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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
LIGHTING ENERGY SERVICE RATE LE				
Basic Service Charge	682		\$ 0	\$ 0
Partial Month, Prorated and Corrected Billings			\$	0
Energy Charge (Jan)		71,105	\$ 0.07045	\$ 5,009
Energy Charge (Feb-Dec)		2,553,233	\$ 0.07264	\$ 185,467
Minimum and Partial Month Billings, Energy			\$	(122)
Total Calculated at Base Rates			\$	190,354
Correction Factor				<u>1.000000</u>
Total After Application of Correction Factor			\$	190,354
FAC Mechanism Revenues			\$	(5,568)
DSM Mechanism Revenues			\$	0
ECR Mechanism Revenues			\$	(295)
OSS Mechanism Revenues			\$	(435)
TCJA Surcredit			\$	(7,582)
Total Base Period Adjusted Revenues			\$	<u>176,474</u>

Kentucky Utilities Company
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
TRAFFIC ENERGY SERVICE RATE TE				
Basic Service Charge	12,402		\$ 4.00	\$ 49,608
Partial Month, Prorated and Corrected Billings				\$ 293
Energy Charge (Jan)		156,234	\$ 0.08736	\$ 13,649
Energy Charge (Feb-Dec)		1,815,947	\$ 0.08955	\$ 162,618
Minimum and Partial Month Billings, Energy				\$ (141)
Total Calculated at Base Rates				\$ 226,027
Correction Factor				<u>1.000000</u>
Total After Application of Correction Factor				\$ 226,027
FAC Mechanism Revenues				\$ (3,544)
DSM Mechanism Revenues				\$ 0
ECR Mechanism Revenues				\$ 701
OSS Mechanism Revenues				\$ (289)
TCJA Surcredit				\$ (4,601)
Total Base Period Adjusted Revenues				\$ <u>218,293</u>

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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
OUTDOOR SPORTS LIGHTING SERVICE RATE OSL-SECONDARY					
Basic Service Charge	77			\$ 90.00	\$ 6,930
Partial Month, Prorated and Corrected Billings					\$ 285
Energy Charge			466,921	\$ 0.03288	\$ 15,352
Minimum and Partial Month Billings, Energy					\$ (0)
Peak Demand, kW		4,366		\$ 16.75	\$ 73,130
Base Demand, kW (Jan)		4,177		\$ 2.73	\$ 11,403
Base Demand, kW (Feb-Apr, Oct-Dec)		26,728		\$ 3.03	\$ 80,986
Partial Month and Prorated Billings, Demand					\$ (56,505)
Redundant Capacity Rider		0		\$ 1.04	\$ 0
Total Calculated at Base Rates					\$ 131,582
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 131,582
FAC Mechanism Revenue					\$ (770)
DSM Mechanism Revenue					\$ 245
ECR Mechanism Revenue					\$ 90
OSS Mechanism Revenue					\$ (68)
TCJA Surcredit					\$ (1,015)
Total Base Period Adjusted Revenues					<u>\$ 130,064</u>

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

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

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	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
OUTDOOR SPORTS LIGHTING SERVICE RATE OSL-PRIMARY					
Basic Service Charge	0			\$ 240.00	\$ 0
Partial Month, Prorated and Corrected Billings					\$ 0
Energy Charge			0	\$ 0.03189	\$ 0
Minimum and Partial Month Billings, Energy					\$ 0
Base Demand, kW		0		\$ 16.88	\$ 0
Base Demand, kW (Jan)		0		\$ 2.75	\$ 0
Base Demand, kW (Feb-Apr, Oct-Dec)		0		\$ 3.03	\$ 0
Partial Month and Prorated Billings, Demand					\$ 0
Redundant Capacity Rider		0		\$ 0.86	\$ 0
Total Calculated at Base Rates					\$ 0
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 0
FAC Mechanism Revenue					\$ 0
DSM Mechanism Revenue					\$ 0
ECR Mechanism Revenue					\$ 0
OSS Mechanism Revenue					\$ 0
TCJA Surcredit					\$ 0
Total Base Period Adjusted Revenues					<u>\$ 0</u>

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
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Schedule M-1.3
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Witness: W. S. SEELYE

	Customer Months	Demand kW	Total kWh	Unit Charges	Calculated Revenue
SCHOOL POWER SERVICE RATE SPS					
Basic Service Charge	772			\$ 90.00	\$ 69,480
Partial Month, Prorated and Corrected Billings					\$ (2,745)
Energy Charge			36,416,985	\$ 0.03289	\$ 1,197,755
Minimum and Partial Month Billings, Energy					\$ (0)
Summer Demand, kW		69,184		\$ 18.75	\$ 1,297,191
Winter Demand, kW (Jan)		13,824		\$ 15.92	\$ 220,073
Winter Demand, kW (Feb-Apr, Oct-Dec)		41,818		\$ 16.78	\$ 701,706
Partial Month and Prorated Billings, Demand					\$ 126,847
Redundant Capacity Rider		6,488		\$ 1.04	\$ 6,747
Total Calculated at Base Rates					\$ 3,617,053
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 3,617,053
FAC Mechanism Revenue					\$ (53,086)
DSM Mechanism Revenue					\$ 19,102
ECR Mechanism Revenue					\$ 18,027
OSS Mechanism Revenue					\$ (4,099)
TCJA Surcredit					\$ (74,060)
Total Base Period Adjusted Revenues					<u>\$ 3,522,938</u>

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Demand kVA	Total kWh	Unit Charges	Calculated Revenue
SCHOOL TIME OF DAY SERVICE RATE STOD					
Basic Service Charge	749			\$ 200.00	\$ 149,800
Partial Month, Prorated and Corrected Billings					\$ (6,176)
Energy Charge			98,358,184	\$ 0.03244	\$ 3,190,739
Minimum and Partial Month Billings, Energy					\$ 0
Demand kVA Base (Jan)		40,851		\$ 4.83	\$ 197,310
Demand kVA Base (Feb-Dec)		361,716		\$ 5.13	\$ 1,855,601
Demand kVA Intermediate (Jan)		32,195		\$ 4.25	\$ 136,830
Demand kVA Intermediate (Feb-Dec)		279,133		\$ 4.55	\$ 1,270,055
Demand kVA Peak (Jan)		31,757		\$ 5.76	\$ 182,921
Demand kVA Peak (Feb-Dec)		264,995		\$ 6.06	\$ 1,605,871
Partial Month and Prorated Billings, Demand					\$ (303,548)
Redundant Capacity Rider		46,666		\$ 1.04	\$ 48,533
Total Calculated at Base Rates					\$ 8,327,935
Correction Factor					<u>1.000000</u>
Total After Application of Correction Factor					\$ 8,327,935
FAC Mechanism Revenue					\$ (142,936)
DSM Mechanism Revenue					\$ 51,614
ECR Mechanism Revenue					\$ 46,682
OSS Mechanism Revenue					\$ (11,075)
TCJA Surcredit					\$ (199,921)
Total Base Period Adjusted Revenues					\$ <u>8,072,301</u>

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
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	Customer Months	Total kWh	Unit Charges	Calculated Revenue
ELECTRIC VEHICLE CHARGING RATE EVC				
Energy Portion of Charging Unit Fee	29	1,370	\$ 2.86	\$ 973
Total Calculated at Base Rates			\$	973
Correction Factor				<u>1.0000000</u>
Total After Application of Correction Factor			\$	973
FAC Mechanism Revenue			\$	(7)
DSM Mechanism Revenue			\$	0
ECR Mechanism Revenue			\$	3
OSS Mechanism Revenue			\$	0
TCJA Surcredit			\$	0
Total Base Period Adjusted Revenues			\$	<u>970</u>

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

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 Service				
High Pressure Sodium				
Cobra Head, 5800 Lumen, Standard				
January	462	9,908	\$ 9.78	\$ 96,900
February-December		97,470	\$ 10.10	\$ 984,447
Cobra Head, 5800 Lumen, Ornamental				
January	472	9,236	\$ 13.45	\$ 124,224
February-December		102,929	\$ 13.77	\$ 1,417,332
Cobra Head, 9500 Lumen, Standard				
January	463	21,987	\$ 10.24	\$ 225,147
February-December		231,580	\$ 10.49	\$ 2,429,274
Cobra Head, 9500 Lumen, Ornamental				
January	473	3,496	\$ 14.11	\$ 49,329
February-December		37,339	\$ 14.36	\$ 536,188
Cobra Head, 22000 Lumen, Standard				
January	464	8,600	\$ 15.85	\$ 136,310
February-December		86,007	\$ 16.28	\$ 1,400,194
Cobra Head, 22000 Lumen, Ornamental				
January	474	5,622	\$ 20.00	\$ 112,440
February-December		63,435	\$ 20.43	\$ 1,295,977
Cobra Head, 50000 Lumen, Standard				
January	465	2,993	\$ 25.17	\$ 75,334
February-December		30,346	\$ 25.75	\$ 781,410
Cobra Head, 50000 Lumen, Ornamental				
January	475	571	\$ 27.95	\$ 15,959
February-December		6,259	\$ 28.53	\$ 178,569
Directional, 9500 Lumen, Standard				
January	487	11,792	\$ 10.08	\$ 118,863
February-December		122,782	\$ 10.33	\$ 1,268,338
Directional, 22000 Lumen, Standard				
January	488	7,163	\$ 15.19	\$ 108,806
February-December		73,558	\$ 15.62	\$ 1,148,976
Directional, 50000 Lumen, Standard				
January	489	9,230	\$ 21.51	\$ 198,537
February-December		95,425	\$ 22.09	\$ 2,107,938
Open Bottom, 9500 Lumen, Standard				
January	428	40,213	\$ 8.76	\$ 352,266
February-December		404,450	\$ 9.01	\$ 3,644,095
Metal Halide				
Directional, 32000 Lumen, Standard				
January	451	6,313	\$ 22.47	\$ 141,853
February-December		65,468	\$ 23.07	\$ 1,510,347
Light Emitting Diode (LED)				
Cobra Head, 8179 Lumen, Fixture Only				
January	390	0	\$ 14.84	\$ 0
February-December		32	\$ 15.88	\$ 508
Cobra Head, 14166 Lumen, Fixture Only				
January	391	0	\$ 17.96	\$ 0
February-December		267	\$ 18.60	\$ 4,966
Cobra Head, 23214 Lumen, Fixture Only				
January	392	1	\$ 27.41	\$ 27
February-December		363	\$ 27.95	\$ 10,146

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
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	Rate Code	Total Lights	Present Rates	Base Period Revenue
LIGHTING SERVICE, CONTINUED, RATE SHEET NO. 35.1				
Overhead Service (continued)				
LED (continued)				
Open Bottom, 5007 Lumen, Fixture Only				
January	393	1	\$ 9.89	\$ 10
February-December		1,444	\$ 10.71	\$ 15,465
Underground Service				
High Pressure Sodium				
Colonial, 5800 Lumen, Decorative				
January	467	1,601	\$ 12.52	\$ 20,045
February-December		17,295	\$ 12.84	\$ 222,068
Colonial, 9500 Lumen, Decorative				
January	468	4,627	\$ 12.82	\$ 59,318
February-December		48,607	\$ 13.07	\$ 635,293
Acorn, 5800 Lumen, Smooth Pole				
January	401	65	\$ 17.11	\$ 1,112
February-December		715	\$ 17.43	\$ 12,462
Acorn, 5800 Lumen, Fluted Pole				
January	411	141	\$ 24.44	\$ 3,446
February-December		1,450	\$ 24.76	\$ 35,902
Acorn, 9500 Lumen, Smooth Pole				
January	420	532	\$ 17.54	\$ 9,331
February-December		5,769	\$ 17.79	\$ 102,631
Acorn, 9500 Lumen, Fluted Pole				
January	430	1,318	\$ 25.00	\$ 32,950
February-December		13,501	\$ 25.25	\$ 340,900
Victorian, 5800 Lumen, Fluted Pole				
January	414	13	\$ 34.00	\$ 442
February-December		143	\$ 34.32	\$ 4,908
Victorian, 9500 Lumen, Fluted Pole				
January	415	24	\$ 34.28	\$ 823
February-December		264	\$ 34.53	\$ 9,116
Contemporary Fixture and Pole, 5800 Lumen, Second Fixture				
January	492	4	\$ 17.04	\$ 68
February-December		44	\$ 17.36	\$ 764
Contemporary Fixture and Pole, 5800 Lumen				
January	476	4,915	\$ 19.28	\$ 94,761
February-December		54,155	\$ 19.60	\$ 1,061,438
Contemporary Fixture and Pole, 9500 Lumen, Second Fixture				
January	497	18	\$ 16.89	\$ 304
February-December		201	\$ 17.14	\$ 3,445
Contemporary Fixture and Pole, 9500 Lumen				
January	477	1,165	\$ 23.84	\$ 27,774
February-December		12,121	\$ 24.09	\$ 291,995
Contemporary Fixture and Pole, 22000 Lumen, Second Fixture				
January	498	34	\$ 19.61	\$ 667
February-December		350	\$ 20.04	\$ 7,014
Contemporary Fixture and Pole, 22000 Lumen				
January	478	1,593	\$ 30.62	\$ 48,778
February-December		16,434	\$ 31.05	\$ 510,276
Contemporary Fixture and Pole, 50000 Lumen, Second Fixture				
January	499	38	\$ 23.71	\$ 901
February-December		423	\$ 24.29	\$ 10,275
Contemporary Fixture and Pole, 50000 Lumen				
January	479	1,048	\$ 37.68	\$ 39,489
February-December		10,306	\$ 38.26	\$ 394,308
Dark Sky, 4000 Lumen				
January	300	0	\$ 24.81	\$ 0
February-December		0	\$ 25.05	\$ 0
Dark Sky, 9500 Lumen				
January	301	0	\$ 25.88	\$ 0
February-December		0	\$ 26.13	\$ 0

Kentucky Utilities Company
Case No. 2018-00294
Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

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 Service (continued)				
Metal Halide				
Contemporary, 32000 Lumen, Fixture Only				
January	491	303	\$ 24.35	\$ 7,378
February-December		3,431	\$ 24.95	\$ 85,603
Contemporary, 32000 Lumen, Fixture with Smooth Pole				
January	495	729	\$ 38.54	\$ 28,096
February-December		8,121	\$ 39.14	\$ 317,856
Light Emitting Diode (LED)				
Cobra Head, 8179 Lumen, Smooth Pole				
January	396	0	\$ 35.36	\$ 0
February-December		0	\$ 36.40	\$ 0
Cobra Head, 14166 Lumen, Smooth Pole				
January	397	0	\$ 38.48	\$ 0
February-December		0	\$ 39.12	\$ 0
Cobra Head, 23214 Lumen, Smooth Pole				
January	398	0	\$ 47.92	\$ 0
February-December		0	\$ 48.46	\$ 0
Colonial, 5665 Lumen, 4-Sided Decorative				
January	399	0	\$ 37.45	\$ 0
February-December		0	\$ 38.22	\$ 0

Kentucky Utilities Company
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Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
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	Rate Code	Total Lights	Present Rates	Base Period Revenue
RESTRICTED LIGHTING SERVICE -- RATE SHEET NO. 36				
Overhead Service				
High Pressure Sodium				
Cobra Head, 4000 Lumen, Fixture Only				
January	461	7,333	\$ 8.79	\$ 64,457
February-December		74,653	\$ 9.03	\$ 674,117
Cobra Head, 4000 Lumen, Fixture and Pole				
January	471	3,539	\$ 12.11	\$ 42,857
February-December		37,644	\$ 12.35	\$ 464,903
Cobra Head, 50000 Lumen, Fixture Only				
January	409	133	\$ 13.63	\$ 1,813
February-December		1,425	\$ 14.21	\$ 20,249
Open Bottom, 5800 Lumen, Fixture Only				
January	426	157	\$ 8.46	\$ 1,328
February-December		1,614	\$ 8.78	\$ 14,171
Metal Halide				
Directional, 12000 Lumen, Standard				
January	450	764	\$ 15.99	\$ 12,216
February-December		7,700	\$ 16.47	\$ 126,819
Directional, 12000 Lumen, Flood, Fixture with Pole				
January	454	163	\$ 20.75	\$ 3,382
February-December		1,690	\$ 21.23	\$ 35,879
Directional, 32000 Lumen, Flood, Fixture with Pole				
January	455	1,056	\$ 27.23	\$ 28,755
February-December		10,331	\$ 27.83	\$ 287,512
Directional, 107800 Lumen, Standard				
January	452	962	\$ 46.68	\$ 44,906
February-December		9,451	\$ 48.09	\$ 454,499
Directional, 107800 Lumen, Flood, Fixture with Pole				
January	459	183	\$ 51.43	\$ 9,412
February-December		1,658	\$ 52.84	\$ 87,609
Mercury Vapor				
Cobra Head, 7000 Lumen, Fixture Only				
January	446	993	\$ 10.64	\$ 10,566
February-December		8,721	\$ 10.93	\$ 95,321
Cobra Head, 7000 Lumen, Fixture and Pole				
January	456	108	\$ 13.14	\$ 1,419
February-December		1,050	\$ 13.43	\$ 14,102
Cobra Head, 10000 Lumen, Fixture Only				
January	447	630	\$ 12.57	\$ 7,919
February-December		6,497	\$ 12.90	\$ 83,811
Cobra Head, 10000 Lumen, Fixture and Pole				
January	457	402	\$ 14.79	\$ 5,946
February-December		3,892	\$ 15.12	\$ 58,847
Cobra Head, 20000 Lumen, Fixture Only				
January	448	1,328	\$ 14.10	\$ 18,725
February-December		12,889	\$ 14.56	\$ 187,664
Cobra Head, 20000 Lumen, Fixture and Pole				
January	458	1,327	\$ 16.58	\$ 22,002
February-December		12,561	\$ 17.04	\$ 214,039
Open Bottom, 7000 Lumen, Fixture Only				
January	404	6,005	\$ 11.67	\$ 70,078
February-December		59,393	\$ 11.96	\$ 710,340

Kentucky Utilities Company
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Detailed Calculation of Base Period Revenues
for the Twelve Months Ended December 31, 2018

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 Witness: W. S. SEELYE

	Rate Code	Total Lights	Present Rates	Base Period Revenue
RESTRICTED LIGHTING SERVICE, CONTINUED, RATE SHEET NO. 36.1				
Overhead Service (continued)				
Incandescent				
Tear Drop, 1000 Lumen, Fixture Only				
January	421	1	\$ 3.71	\$ 4
February-December		27	\$ 3.81	\$ 103
Tear Drop, 2500 Lumen, Fixture Only				
January	422	257	\$ 4.92	\$ 1,264
February-December		1,426	\$ 5.05	\$ 7,201
Tear Drop, 4000 Lumen, Fixture Only				
January	424	23	\$ 7.32	\$ 168
February-December		156	\$ 7.51	\$ 1,172
Tear Drop, 6000 Lumen, Fixture Only				
January	425	2	\$ 9.77	\$ 20
February-December		13	\$ 10.02	\$ 130
Underground Service				
Metal Halide				
Directional, 12000 Lumen, Flood, Fixture with Pole				
January	460	20	\$ 31.09	\$ 622
February-December		220	\$ 31.57	\$ 6,945
Directional, 32000 Lumen, Flood, Fixture with Pole				
January	469	290	\$ 36.67	\$ 10,634
February-December		3,066	\$ 37.27	\$ 114,270
Directional, 107800 Lumen, Flood, Fixture with Pole				
January	470	44	\$ 60.64	\$ 2,668
February-December		460	\$ 62.05	\$ 28,543
Contemporary, 12000 Lumen, Fixture Only				
January	490	61	\$ 17.31	\$ 1,056
February-December		647	\$ 17.79	\$ 11,510
Contemporary, 12000 Lumen, Fixture with Smooth Pole				
January	494	201	\$ 31.28	\$ 6,287
February-December		2,093	\$ 31.76	\$ 66,474
Contemporary, 107800 Lumen, Fixture Only				
January	493	40	\$ 50.30	\$ 2,012
February-December		398	\$ 51.71	\$ 20,581
Contemporary, 107800 Lumen, Fixture with Smooth Pole				
January	496	131	\$ 64.26	\$ 8,418
February-December		1,369	\$ 65.67	\$ 89,902
High Pressure Sodium				
Acorn, 4000 Lumen, Smooth Pole				
January	440	2	\$ 15.64	\$ 31
February-December		22	\$ 15.88	\$ 349
Acorn, 4000 Lumen, Fluted Pole				
January	410	242	\$ 23.09	\$ 5,588
February-December		2,630	\$ 23.33	\$ 61,358
Colonial, 4000 Lumen, Smooth Pole				
January	466	857	\$ 11.13	\$ 9,538
February-December		9,238	\$ 11.37	\$ 105,036
Coach, 5800 Lumen, Smooth Pole				
January	412	57	\$ 33.99	\$ 1,937
February-December		291	\$ 34.31	\$ 9,984
Coach, 9500 Lumen, Smooth Pole				
January	413	111	\$ 34.29	\$ 3,806
February-December		1,065	\$ 34.54	\$ 36,785

Kentucky Utilities Company
Case No. 2018-00294
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for the Twelve Months Ended December 31, 2018

DATA: BASE PERIOD FORECAST PERIOD
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	Rate Code	Total Lights	Present Rates	Base Period Revenue
RESTRICTED LIGHTING SERVICE, CONTINUED, RATE SHEET NO. 36.2				
Underground Service (continued)				
Granville Lights, Pole and Fixture				
January	360	0	\$ 62.13	\$ 0
February-December		0	\$ 63.76	\$ 0
Prorated and corrected billings				\$ (69,125)
Total Lighting Service				\$ 29,333,046
Correction Factor				<u>1.000000000</u>
Total After Application of Correction Factor				\$ 29,333,046
FAC Mechanism Revenues				\$ (216,189)
DSM Mechanism Revenues				\$ 0
ECR Mechanism Revenues				\$ 106,910
OSS Mechanism Revenues				\$ (18,513)
EDR Surcredit				\$ 0
TCJA Surcredit				\$ (272,965)
Total Test Year Adjusted Revenues				\$ 28,932,290

Kentucky Utilities Company
Case No. 2018-00294
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 4/30/20; Base Period 12ME 12/31/18)

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

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.