

KENTUCKY UTILITIES COMPANY

Balance Sheet
At December 31, 2001
Assets and Other Debits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Plant				
Utility Plant	101-106	\$ 2,960,818,493	\$ 2,553,803,301	\$ 407,015,192
Plus: Construction Work in Progress	107	103,402,029	90,203,467	13,198,562
Total Utility Plant		\$ 3,064,220,522	\$ 2,644,006,768	\$ 420,213,754
Less: Accumulated Provision for Depreciation	108,111	1,457,754,337	1,248,427,339	209,326,998
Net Utility Plant		\$ 1,606,466,185	\$ 1,395,579,429	\$ 210,886,756
Other Property and Investments				
Non-Utility Property	121	\$ 1,027,089	\$ -	\$ 1,027,089
Less: Accum Prov for Depr and Amortization	122	129,691	-	129,691
Investment in Subsidiary Companies	123.1	5,045,932	-	5,045,932
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	806,424	-	806,424
Special Funds	125-128	5,879,587	-	5,879,587
Total Other Property and Investments		\$ 12,629,341	\$ -	\$ 12,629,341
Current and Accrued Assets				
Cash	131	\$ 3,108,881	\$ 2,713,369	\$ 395,512
Special Deposits	132-134	183,579	160,224	23,355
Working Funds	135	119,591	104,377	15,214
Temporary Cash Investments	136	2,300	2,007	293
Customer Accounts Receivable	142	(13,785,165)	29,089,496	(42,874,661)
Other Accounts Receivable	143	7,143,413	6,234,628	908,785
Less: Accum Prov for Uncollectable Accts-Credit	144	280,000	240,780	39,220
Notes Receivable from Associated Companies	145	15,674,682	-	15,674,682
Accounts Receivable from Associated Companies	146	-	-	-
Fuel	151	43,381,742	37,190,299	6,191,443
Plant Materials and Operating Supplies	154	21,092,437	18,286,534	2,805,903
Allowances	158.1	150,947	128,993	21,954
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	5,095,226	4,417,414	677,812
Prepayments	165	4,710,363	4,144,488	565,875
Interest and Dividends Receivable	171	25,000	21,820	3,180
Accrued Utility Revenues	173	33,463,809	31,270,556	2,193,253
Total Current and Accrued Assets		\$ 120,086,803	\$ 133,523,425	\$ (13,436,622)
Deferred Debits				
Unamortized Debt Expense	181	\$ 4,316,446	\$ 3,767,307	\$ 549,139
Unrecovered Plant and Regulatory Costs	182	-	-	-
Other Regulatory Assets	182.3	81,007,887	27,778,711	53,229,176
Preliminary Survey and Inventory	183	578,608	504,997	73,611
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	20,711,642	18,076,707	2,634,935
Unamortized Loss on Re-Acquired Debt	189	6,142,011	5,360,624	781,387
Accumulated Deferred Income Taxes	190	84,907,546	69,723,529	15,184,017
Total Deferred Debits		\$ 197,664,138	\$ 125,211,875	\$ 72,452,263
Total Assets and Other Debits		\$ 1,936,846,467	\$ 1,654,314,729	\$ 282,531,738

KENTUCKY UTILITIES COMPANY

Balance Sheet
At December 31, 2001
Liabilities and Other Credits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other JurMsdMctMonal Column E
Proprietary Capital				
Common Stock Issued	201	\$ 308,139,978	\$ 269,188,003	\$ 38,951,975
Preferred Stock Issued	204	40,000,000	34,943,725	5,056,275
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	15,000,000	13,103,850	1,896,150
Derivative Cumulative Effect	214200	1,588,424	1,387,631	200,793
Capital Stock Expense	214	(594,394)	(519,257)	(75,137)
Retained Earnings	215-216	410,389,832	358,512,454	51,877,378
Unappropriated Undistributed Subsidiary Earnings	216.1	500,132	-	500,132
Total Proprietary Capital		\$ 775,023,972	\$ 676,616,406	\$ 98,407,566
Long Term Debt				
Bonds	221	\$ 484,830,000	\$ 423,542,640	\$ 61,287,360
Long Term Debt Marked to Market	221200	3,675,762	3,211,109	464,653
Other Long Term Debt	224	-	-	-
Unamortized Premium on Long Term Debt	225	-	-	-
Total Long Term		\$ 488,505,762	\$ 426,753,749	\$ 61,752,013
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	-	-	-
Accumulated Provision for Pensions and Benefits	228.3	55,131,381	48,392,121	6,739,260
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		\$ 55,131,381	\$ 48,392,121	\$ 6,739,260
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	64,549,352	56,658,839	7,890,513
Notes Payable to Associated Companies	233	47,789,650	41,748,560	6,041,090
Accounts Payable to Associated Companies	234	18,963,106	-	18,963,106
Customer Deposits	235	10,848,396	10,407,264	441,132
Taxes Accrued	236	20,515,311	17,905,353	2,609,958
Interest Accrued	237	5,667,552	4,946,526	721,026
Dividends Declared	238	188,000	164,083	23,917
Matured Long Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	1,636,113	1,636,113	-
Miscellaneous Current and Accrued Liabilities	242	5,445,718	4,780,034	665,684
Total Current and Accrued Liabilities		\$ 175,603,199	\$ 138,246,772	\$ 37,356,426
Deferred Credits				
Customer Advances for Construction	252	\$ 1,526,310	\$ 1,364,578	\$ 161,732
Accumulated Deferred Investment Tax Credits	255	11,454,622	9,549,537	1,905,085
Other Deferred Credits	253	2,312,912	3,388,202	(1,075,290)
Other Regulatory Liabilities	254	57,920,359	38,406,298	19,514,061
Miscellaneous Long Term Liability Due to Associated Companies	234	45,256,241	39,535,399	5,720,841
Accumulated Deferred Income Taxes	281-283	324,111,711	261,250,245	62,861,466
Total Deferred Credits		\$ 442,582,155	\$ 353,494,259	\$ 89,087,895
Total Liabilities and Other Credits		\$ 1,936,846,468	\$ 1,643,503,308	\$ 293,343,160
Adjustment to Balance		\$ 0	(\$10,811,421)	\$ 10,811,422

KENTUCKY UTILITIES COMPANY

Statement of Income

Twelve Months Ended December 31, 2001

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income				
Operating Revenues:				
Residential Sales	440	\$ 243,630,045	\$224,998,130	\$ 18,631,916
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		165,252,615	156,138,475	9,114,140
Large (or Ind) - Industrial & Mine Power		174,963,721	165,195,054	9,768,667
Public Street and Highway Lighting	444	6,668,796	6,442,099	226,697
Other Sales to Public Authorities	445	52,056,439	48,979,978	3,076,460
Total Sales to Ultimate Consumers		\$ 642,571,615	\$ 601,753,736	\$ 40,817,879
Sales for Resale	447	203,181,162	126,438,129	76,743,033
Total Sales of Electricity		\$ 845,752,777	\$ 728,191,865	\$ 117,560,913
Less: Provision for Refund	449.1	199,143	1,471,489	(1,272,346)
Total Revenues Net of Provision for Refund		\$ 845,553,634	\$ 726,720,376	\$ 118,833,259
Other Operating Revenues:				
Miscellaneous Service Revenues	451	631,958	618,740	13,218
Rent from Electric Property	454	2,836,850	2,729,682	107,168
Other Electric Revenues	456	10,449,624	10,438,008	11,616
Total Other Operating Revenues		\$ 13,918,431	\$ 13,786,429	\$ 132,002
Total Operating Income		\$ 859,472,065	\$ 740,506,805	\$ 118,965,260
Operating Expenses:				
Operation Expenses	401	\$ 522,763,119	\$ 445,520,319	\$ 77,242,800
Maintenance Expenses	402	53,947,689	46,766,518	7,181,171
Depreciation Expense	403	87,253,799	75,401,652	11,852,147
Amortization of Limited-Term Electric Plant	404	3,045,554	3,042,893	2,661
Taxes Other than Income Taxes	408.1	13,927,560	12,258,342	1,669,218
Income Taxes - Federal	409.1	58,334,058	Total Income Taxes	
Income Taxes - State	409.1	13,463,626	45,955,646	11,521,676
Provision for Deferred Income Taxes	410.1	40,416,143		
Provision for Deferred Income Taxes - Credit	411.1	(54,736,506)		
Investment Tax Credit Adjustment - Net	411.4	-	-	-
Losses/(Gains) from Disposition of Allowances	411.8	(317,036)	-	(317,036)
Total Utility Operating Expenses		\$ 738,098,006	\$ 625,902,477	\$ 109,149,975
Net Utility Operating Income		\$ 121,374,059	\$ 114,604,328	\$ 9,815,285

KENTUCKY UTILITIES COMPANY

Statement of Income

#REF!

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.				
<u>Other Income and Deductions</u>				
Total Other Income		\$ 5,035,475		
Total Other Income Deductions		(329,273)		
Total Taxes on Other income and Deductions		(3,567,535)		
Net Other Income and Deductions		\$ 8,932,282		
<u>Interest Charges</u>				
Interest on Long Term Debt	427	\$ 27,868,496		
Amortization of Debt Discount and Expense	428	334,701		
Amortization of Loss on Re-Acquired Debt	428.1	869,759		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	973,640		
Other Interest Expense	431	4,961,565		
Allowance for Borrowed Funds Used During Construction	432	(19,322)		
Net Interest Charges		\$ 34,988,839	\$ 29,770,732	\$ 5,218,107
Net Income		\$ 95,317,502		

KENTUCKY UTILITIES COMPANY
Statement of Income
#REF!

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Interest on Debt to Associated Companies	430	973,640		
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Allowance for Borrowed Funds Used During Construction	432	(19,322)		
Net Interest Charges		\$ 34,988,839	\$ 29,770,732	\$ 5,218,107
Net Income		\$ 95,317,502		

Other
Jurisdictional
Column E

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13,198,562
\$ 420,213,754
209,326,998
\$ 210,886,756

\$ 1,027,089
129,691
5,045,932
-
806,424
5,879,587
\$ 12,629,341

\$ 395,512
23,355
15,214
293
(42,874,661)
908,785
39,220
15,674,682
-
6,191,443
2,805,903
21,954
-
677,812
565,875
3,180
2,193,253
\$ (13,436,622)

\$ 549,139
-
53,229,176
73,611
-
2,634,935
781,387
15,184,017
72,452,263

\$ 282,531,738