OHIO VALLEY ELECTRIC CORPORATION
AND SUBSIDIARY COMPANY
CONSOLIDATING BALANCE SHEETS - SEPTEMBER 30, 2014 AND 2013-UNAUDITED
CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS YEAR TO DATE - SEPTEMBER 30, 2014 AND 2013-UNAUDITED
CONSOLIDATING STATEMENTS OF CASH FLOWS YEAR TO DATE - SEPTEMBER 30, 2014 AND 2013-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - SEPTEMBER 30, 2014 AND 2013-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS YEAR TO DATE - SEPTEMBER 30, 2014 AND 2013-UNAUDITED

CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR TO DATE - SEPTEMBER 30, 2014 AND 2013-UNAUDITED

OFFICER'S CERTIFICATION

A review of the affairs and activities of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation (the Companies), during the quarters ended September 30, 2014 and 2013 has been made under my supervision, and in my opinion, the unaudited financial statements for these periods present fairly the financial conditions of the Companies as of September 30, 2014 and 2013, and the results of the operations, thereof, in accordance with generally accepted accounting principles consistently applied throughout the period. To the best of my knowledge and belief, there has been no Potential Default, Default, or Event of Default by the Companies and the Companies are in compliance with the covenents of the current debt agreements.

Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and INDIANA-KENTUCKY ELECTRIC CORPORATION

CONSOLIDATED NET WORTH

The consolidated net worth of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation for the quarter ending September 30, 2014 was \$16,894,773

Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and INDIANA-KENTUCKY ELECTRIC CORPORATION

CONSOLIDATING BALANCE SHEETS
AS OF SEPTEMBER 30, 2014 AND 2013-UNAUDITED

Property	AS OF SEPTEMBER 30, 2014 AND 2013-UNAUD	ITED	2014								2013			
Part				2011							2015	01: 24 !!		
Electric PANT		Consolidated	_		Electric	Electric		Consolidated	15		÷-	Electric	_	Electric
A CONTRIBUTION CO														
Construction for depreciation 1,225 [12] (2012) 1,093 [3015]		\$ 2,694,070,090	25		1 220 104 620 90	1 252 066 240 45	e.	2 002 227 922 00	•		5	1 280 524 522-14	2	712 702 300 76
Construction in progress \$72,887,604.06 \$12,604,622.16 \$15,209.961.70 \$681,306,465.00 \$19,981.755.21 \$641,718.755.75 \$703,566.566.75 \$704.061.065.75 \$704.065.75 \$	9					. , , ,	9 3	, , , ,	3		, -		· —	
Total eleviric plant		1,458,878,913	05	*	733,718,578,38	725,160,334_67		841,431,710 97		9		719,583,819.57		121,847,891.40
Description Company	Construction in progress	27,887,504	06_		12,646,542.36	15,240,961_70		681,300,460.60				39,581.755.21	_	641,718,705,39
Total investments and other 1,400,000.00 1,40	Total electric plant	1_486_766_417	11		746,365,120,74	740,401,296,37		1,522,732,171,57	-	<u> </u>	:==	759,165,574,78	-	763,566,596.79
Total investments and other 1,400,000.00 1,40	INVESTMENTS AND OTHER													
Total directments and other (101,200,254.56)				(3.400.000.00)	3 400 000 00	9		2		(3.400.000.00)		3 400 000 00		2
CURRENT ASETS CRsh and cash equivalents 33,465,285.73 39,458,281.69 7,004.04 33,512,072.24 33,501,572.24 10,500.04 10,50	2 1 2	-							- 12		2		-	
Cach and cash copivaleness 39,465,285.73 - 39,485,281.69 7,004.04 33,12/02.24 - 33,591,572.24 10,500.00	Total investments and other		_	(101,700,254.56)	101,700,254,56				- 12	(106,630,413,73)	-	106,630,413,73	_	
Accounts receivable 33,417,545.51 33,212,598.86 184,546.55 33,992,677.86 33,498.877.55 498,840.51 Intercompany receivable (622,869,681.31) 622,869,681.31 622,869,881.31	CURRENT ASSETS:													
Accounts receivable 33,417,455.51 33,223,998.86 184,546.55 33,993,677.86 33,408,837.35 498,840.51 Intercompany receivable (622,869,881.31) 622,869,881.31	Cash and cash equivalents	39,465,285	73	C=1	39,458,281.69	7,004.04		33,512,072.24		*		33,501,572,24		10,500.00
Materials and supplies at swrange cost \$32,956,517.80 \$62,2869,681.31 \$622,8	•				33.232.998.86	184,546.65		33,993,677.86				33,498,837,35		494,840.51
Fuel in storage-at average cost 32,956,517.80 16,505,38,17 16,451,149.63 52,122,710.99 - 25,245,393.94 26,877,317.05 Materials and supplies-at average cost 14,288,159.82 20,454,106.75 13,834,053.07 28,833.86.4 16,1780,148.75 12,053,442.7 Property taxes applicable to future years 675,726.28 675,726.28 675,726.28 6.05,860.00 623,860.00 12,905,340.00 12,905,460.00 123,907.39 12,907.39 1				(622 869 681 31)						(641.846.535.33)		641,846,535,33		
Materials and supplies are average cost 14,288, [59.82] 2 20,454, [06.75] 13,814,053.07 28,833,86.94 - [6,780,144.87] 12,053,442.07 Property taxes applicable to future years 675,726.28 67				(,,)	, ,	16.451.149.63		52,122,710,99		E				26,877,317 05
Property taxes applicable to future years Emission allowances 675,726.28 675,726.28 675,726.28 675,726.28 675,726.28 675,726.28 675,726.28 675,726.28 675,726.28 675,726.28 7,392,140.00 7												16,780,144.87		12,053,442,07
Emission allowances 9,980,768,00 - 7,392,140,00 2,588,628,00 18,002,799,00 - 15,008,434,00 3,293,950,00 Deferred tax assets 9,980,768,00 - 7,392,140,00 2,588,628,00 18,002,799,00 - 15,008,434,00 3,293,950,00 1,500,843,00 3,293,950,00 1,500,843,00 3,293,950,00 1,500,843,00 3,293,950,00 1,500,843,00 3,293,950,00 1,500,843,00 3,293,950,00 1,500,843,00 3,293,950,00 1,600,845,00 3,4496,979,07 187,00,988,10														
Deferred tax assets						-				~				-
Income taxes receivable 3,331,535,71 3,331,535,71 3,331,535,71 1,5832,665,71 1,305,665,79 1,305,665,79 1,205,6				-		2 500 620 00						,		3 293 950 00
Regulatory assets 2,753,785.33 - 1,322,187.65 1,431,597.68 2,876,866.98 1,306,366.79 1,405,783.90 1,405,783.90 1,405,783.90 1,406,575.3		, ,		-										
Prepaid expenses and other 2,753,785.33				-1	3,331,333./1									
Total current assets 156,869,324.18 (622,869,681.31) 745,242.026.42 34,496,979.07 187,430,598.10 (641,846,535.33) 785,051,299.84 44,225,833.59 REGULATORY ASSETS: Unrecognized postemployment benefits 2,078,864.00 1,119,681.00 959,183.00 2,498,759.00 1,132,247.00 13,061,210.00 Pension benefits 8,542,293.00 4,899,859.00 3,642,434.00 30,561,225.00 17,529,976.00 13,031,349.00 Postretirement benefits 15,828,423.00 - 15,828,423.00 - 15,828,423.00 1,045,113.52) 23,268,509.12 Total regulatory assets 26,449,580.00 6,619,540.00 20,430.040.00 38,237,523.48 (34,213,622.64) 41,930,732.12 30,520,414.00 DEFERRED CHARGES AND OTHE: Unamortized debt expense 12,172,804.60 12,172,804.60 12,172,804.60 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 14,930,732.12 50,295,839.00 Deferred tax assets (58,348,733.51) 58,348,733.51 22,265,884.00 (28,029,955.00) 13,864,819.40 10,137,489.18 22,766,135.32 Special deposits-restricted (78,000) 13,000,391.51 25,082,123.49 122,903,624.50 10,101,137,489.18 22,766,135.32 Total deferred charges and other 134,723,151.17 (58,348,733.51) 167,989,761.19 25,082,123.49 159,112,343.44 (28,029,955.00) 114,080,324.12 73,061,974.32	9 3			=:										1 406 702 06
REGULATORY ASSETS: Unrecognized postemployment benefits	Prepaid expenses and other	2,753,785	33		1,322,187.65	1,431,597.68	8	2,876,866.98	2	 -	5=	1,381,083.02		1,495,783.96
Unrecognized postemployment benefits 2,078,864.00 1,119,681.00 959,183.00 2,498,759,00 1,132,247.00 1,365,12.00 Pension benefits 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 15,828,423.00 16,122,553.00	Total current assets	156,869,324	18	(622,869,681,31)	745,242,026 42	34,496,979.07	e	187,430,598.10	13	(641,846,535,33)	50	785,051,299,84	-	44,225,833,59
Pension benefits 8,542,293.00 4,899,859.00 3,642,434.00 30,561,325.00 17,529,976.00 13,031,349.00 Postretirement benefits 5 15,828,423.00 5,177,439.48 (10,945,113.52) 5 16,122,553.00 Income taxes billable to customers 15,828,423.00 5 15,828,423.00 5 15,828,423.00 5 (23,268,509.12) 23,268,509.12 Total regulatory assets 26,449,580.00 6,019,540.00 20,430.040.00 38.237,523.48 (34,213,622.64) 41,930,732.12 30,520,414.00 DEFERRED CHARGES AND OTHER: Unamortized debt expense 12,172,804.60 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 Deferred tax assets 12,486,042.64 97,403,919.15 25,082,123.49 122,903,624.50 100,137,489.18 22,766,135.32 Special deposits-restricted Other 64,303.93 64,303.93 78,015.54 78,015.54 Total deferred charges and other 134,723,151.17 (58,348,733.51) 167,989,761.19 25,082,123.49 159,112,343.44 (28,029,955.00) 114,080,324.12 73,061,974.32	REGULATORY ASSETS:													
Postretirement benefits Income taxes billable to customers 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 16,122,553,00 16,122,553,00 17,439,48 16,122,553,00 17,439,48 17,439,48 17,439,48 17,439,48 17,439,48 17,439,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,237,523,48 18,248,819,40 18,864,819,40 18,8	Unrecognized postemployment benefits	2,078,864	00	3	1,119,681.00	959,183.00		2,498,759.00		22				
Income taxes billable to customers 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 15,828,423 00 16,019,540,00 20,430,040 00 38,237,523 48 (34,213,622 64) 41,930,732 12 30,520,414 00 DEFERRED CHARGES AND OTHER: Unamortized debt expense 12,172,804,60 12,172,804,60 12,172,804,60 12,172,804,60 13,864,819,40 13,864,819,40 13,864,819,40 13,864,819,40 13,864,819,40 13,864,819,40 13,864,819,40 13,864,819,40 14,930,732 12 13,864,819,40 15,029,583,00 10,0137,489,18 22,766,135,32 Special deposits-restricted Other Total deferred charges and other 134,723,151.17 (58,348,733,51) 167,989,761.19 25,082,123 49 159,112,343,44 (28,029,955,00) 114,080,324,12 73,061,974,32	Pension benefits	8,542,293	00	<u> </u>	4,899,859.00	3,642,434.00		30,561,325 00		-		17,529,976_00		
Total regulatory assets 26,449,580,00 6,019,540,00 20,430,040,00 38,237,523,48 (34,213,622.64) 41,930,732.12 30,520,414.00 DEFERRED CHARGES AND OTHER: Unamortized debt expense 12,172,804.60 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 14,930,732.12 30,520,414.00 Deferred tax assets 2 (58,348,733.51) 58,348,733.51 22,265,884.00 (28,029,955.00) 20,275,839.00 Long-term investments 122,486,042.64 97,403,919.15 25,082,123.49 122,903,624.50 100,137,489.18 22,766,135.32 Special deposits-restricted Other 64,303.93 64,303.93 78,015.54 78,015.54 Total deferred charges and other 134,723,151.17 (58,348,733.51) 167,989,761.19 25,082,123.49 159,112,343.44 (28,029,955.00) 114,080,324.12 73,061,974.32	Postretirement benefits			-	-	9		5,177,439.48		(10,945,113.52)				16,122,553.00
DEFERRED CHARGES AND OTHER: Unamortized debt expense 12,172,804.60 12,172,804.60 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 14,00	Income taxes billable to customers	15,828,423	00			15,828,423.00	2		8	(23,268,509 12)	-	23,268,509,12	-	
Unamortized debt expense 12,172,804.60 12,172,804.60 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 14,100.100.100.100.100.100.100.100.100.100	Total regulatory assets	26,449,580	00		6,019,540.00	20,430,040.00	ir.	38,237,523,48	116	(34,213,622.64)	-	41,930,732.12	-	30,520,414.00
Unamortized debt expense 12,172,804.60 12,172,804.60 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 13,864,819.40 14,100.100.100.100.100.100.100.100.100.100	DEFERRED CHARGES AND OTHER:													
Deferred tax assets (58,348,733.51) 58,348,733.51 22,265,884.00 (28,029,955.00) 50,295,839.00 Long-term investments 122,486,042.64 97,403,919.15 25,082,123.49 122,903,624.50 100,137,489.18 22,766,135.32 Special deposits-restricted Other 64,303.93 64,303.93 78,015.54 78,015.54 Total deferred charges and other 134,723,151.17 (58,348,733.51) 167,989,761.19 25,082,123.49 159,112,343.44 (28,029,955.00) 114,080,324.12 73,061,974.32		12,172.804	60	*	12,172,804,60	25		13,864,819.40		7.7%		13,864,819.40		9
Long-term investments 122,486,042.64 97,403,919.15 25,082,123.49 122,903,624.50 100,137,489.18 22,766,135.32 Special deposits-restricted Other 64,303.93 64,303.93 78,015.54 <		,,	-	(58,348,733,51)				22,265,884,00		(28,029,955.00)		5		50,295,839.00
Special deposits-restricted Other 64,303.93 64,303.93 78,015.54 78,015.54 78,015.54 Total deferred charges and other 134,723.151.17 (58,348,733.51) 167,989,761.19 25,082,123.49 159,112,343.44 (28,029,955.00) 114,080,324.12 73,061,974.32		122.486 042	64			25,082,123.49						100,137,489,18		22,766,135,32
Other 64,303,93 64,303.93 78,015.54 78,015.54 78,015.54 Total deferred charges and other 134,723,151.17 (58,348,733.51) 167,989,761.19 25,082,123.49 159,112,343.44 (28,029,955.00) 114,080,324.12 73,061,974.32	0	, ,, v		*	(90	æ				77				9
		64,303	93	·	64,303.93	-		78,015,54			-	78,015.54	_	
TOTAL \$ 1,804,808,472.46 \$ (782,918,669.38) \$ 1,767,316,702.91 \$ 820,410,438.93 \$ 1,907,512,636.59 \$ (810,720,526.70) \$ 1,806,858,344.59 \$ 911,374,818.70	Total deferred charges and other	134,723,151	17	(58,348,733.51)	167,989,761 19	25,082,123 49	5	159,112,343 44		(28,029,955.00)	-	114,080,324,12		73,061,974.32
	TOTAL	\$1,804,808,472	46	\$ (782,918,669,38) \$	1,767,316,702.91	\$ 820,410,438.93	\$	1,907,512,636,59	\$:	(810,720,526,70)	S =	1,806,858,344.59	s	911,374,818.70

CONSOLIDATING BALANCE SHEETS
AS OF SEPTEMBER 30, 2014 AND 2013-UNAUDITED

AS OF SEPTEMBER 30, 2014 AND 2013-UNAU	DITED									
	-	201	4		-	2013				
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation		Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	
CAPITALIZATION AND LIABILITIES										
CAPITALIZATION:										
Common stock, \$100 par value-										
Authorized, 300,000 shares; outstanding, 100,000 shares	\$ 10,000,000.00	\$ =	\$ 10,000,000 00	•	s	10,000,000:00	s	\$ 10,000,000.00	S -	
Common stock, without par value,	3 10,000,000,00	3 ±	\$ 10,000,000 00	3	3	10,000,000 00	3 :	3 10,000,000,00	3 -	
stated at \$200 per share-										
Authorized, 100,000 shares;										
outstanding, 17,000 shares	7.5	(3,400,000.00)		3,400,000.00			(3,400,000,00)	-	3,400,000.00	
Long-term debt	1,287,835,364,14	(3,100,000.00)	1,287,835,364.14	3,100,000,00		1,530,038,170,08	(=	1,530,038,170,08	2,,	
Line of credit borrowings-long term	20,000,000.00	¥	20,000,000,00			30,000,000.00	-	30,000,000.00	*	
Retained earnings	6,894,772.81	23	6,894,772.81	<u> </u>		6,565,253.36	<u> </u>	6,565,253.36		
Total capitalization	1,324,730,136.95	(3,400,000.00)	1,324,730,136,95	3,400,000.00	_	1,576,603,423,44	(3,400,000.00)	1,576,603,423.44	3,400,000.00	
CURRENT LIABILITIES:										
Current portion of long-term debt	242,225,406 47	2	242,225,406,47	2		39,768,145,18	12	39,768,145_18	9	
Accounts payable	26,966,427 09	3	11,841,795.07	15,124,632,02		31,597,322.88	-	15,542,159.39	16,055,163,49	
Intercompany payable	20,700,427.07	(622,869,681.31)	11,041,725.07	622,869,681,31		31,337,322	(641,846,535,33)	10,0,10	641,846,535.33	
Deferred revenue-advances for construction	11,272,553 91	(022,007,001.51)	7,769,928,27	3,502,625,64		23,663,538,99	(***,**********************************	13,304,616.05	10,358,922 94	
Accrued taxes	7,061,515.05	•	3,205,652,89	3,855,862,16		15,637,094.77	-	12,004,086 65	3,633,008 12	
Regulatory liabilities	3,881,302.18		3,458,211,68	423,090,50		2,520,139 27	2	2,488,078 12	32,061,15	
Accrued interest and other	27,049,553,28		23,695,427.54	3,354,125,74	2	27,783,818.58		24,026,013_10	3,757,805_48	
Total current liabilities	318,456,757,98	(622,869,681.31)	292,196,421 92	649,130,017.37	2	140,970,059.67	(641,846,535,33)	107,133,098,49	675,683,496,51	
COMMITMENTS AND CONTINGENCIES										
REGULATORY LIABILITIES:										
Postretirement benefits	37,386,150,50	=	35,136,363,83	2,249,786_67			(10,945,113,52)	9,406,003.22	1,539,110,30	
Decommissioning and demolition	21,123,104,56	E	10,057,980,81	11,065,123,75		18,275,116.77	182	8,684,940.89	9,590,175.88	
Investment tax credits	3,393,145.95	¥	3,393,145,95	5		3,393,145.95	:307	3,393,145,95	35	
Net antitrust settlement	1,823,929_41	2	673,069.85	1,150,859,56		1,823,929 41	327	673,069.85	1,150,859 56	
Income taxes refundable to customers	. <u></u>				-	30,327,875.88	(23,268,509,12)	×	53,596,385,00	
Total regulatory liabilities	63,726,330,42	<u> </u>	49,260,560.44	14_465_769.98	9	53,820,068.01	(34,213,622,64)	22,157,159.91	65,876,530,74	
OTHER LIABILITIES:										
Pension liability	8,542,293 00	9	4,899,859.00	3,642,434.00		30,561,325,00	187	17,529,976.00	13,031,349.00	
Deferred income tax liability	22,870,580.45	(58,348,733,51)	62,795,666 96	18,423,647,00			(28,029,955,00)	28,029,955.00	24	
Asset retirement obligations	22,230,108 66		8,382,232 64	13,847,876,02		20,961,378,47		7,954,542.75	13,006,835.72	
Postretirement benefits obligation	42,173,401.00		23,932,144.00	18,241,257,00		82,097,623,00	898	46,317,942 00	35,779,681.00	
Postemployment benefits obligation	2,078,864 00		1,119,681.00	959,183.00		2,498,759.00	88	1,132,247.00	1,366,512.00	
Parent advances for construction		(98,300,254.56)		98,300,254,56	==		(103,230,413,73)		103,230,413.73	
Total other liabilities	97,895,247,11	(156,648,988.07)	101,129,583.60	153,414,651.58	- 2	136,119,085,47	(131,260,368.73)	100,964,662.75	166,414,791,45	
TOTAL	\$ 1,804,808,472,46	\$ (782,918,669,38)	\$ 1,767,316,702.91	\$ 820,410,438,93	\$	1,907,512,636,59	\$ (810,720,526,70)	\$1,806,858,344.59	\$ 911,374,818,70	
TOTAL	1,804,606,472,40	(702,710,007,38)	1,707,510,102,91	020,110,130,33	=	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(0.10,1.20,1.20,1.0)			

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS YEAR TO DATE AS OF SEPTEMBER 30, 2014 AND 2013-UNAUDITED

TEAR TO DATE AS OF SELFEWBER 30, 20		2014							2013							
		Consolidated	-	Eliminations (Deduct)	Ohio Valley Electric Corporation		· ·	Indiana- Kentucky Electric Corporation		Consolidated		Eliminations (Deduct)		Ohio Valley Electric Corporation		Indiana- Kentucky Electric Corporation
OPERATING REVENUES:																
Sales of electric energy to:	2		2						-	7.030.110.03	2		S	2020 110 02	æ	
Department of Energy	S	-,,	S	(214,559,200.95)		2,57	S	214,559,200.95	S	7,030,118 93	\$	(202,201,550,80)	2	7,030,118.93	3	202,201,550.80
Ohio Valley Electric Corp. Sponsoring Companies		482,666,941.25		(214,559,200.95)	482,666,94			214,559,200.95		483,232,034.96		(202,201,330,80)		483,232,034,96		202,201,330.60
Other		482,000,941.23				1,23		*		463,232,034.90				465,252,054,50		-
Offici	-		7			-				-			-			
Total operating revenues	:=	491,576,343.82	=	(214,559,200,95)	491,576,343	3,82	_	214,559,200.95		490,262,153.89	4 14	(202,201,550,80)	9	490,262,153 89	_	202,201,550.80
OPERATING EXPENSES:																
Fuel and emission allowances consumed																
in operation		245,466,662.22		(7)	103,401,14	84		142,065,518,38		228,403,667.96		727		95,859,172.02		132,544,495,94
Purchased power		8,482,360.20		(214,559,200.95)	223,041,56					6,650,646.39		(202,201,550,80)		208,852,197_19		2
Other operation		68,739,050.92			45,305,53			23,433,513,64		70,001,551.46				41,531,672.19		28,469,879,27
Maintenance		59,970,431,98		(30)	34,863,20	22		25,107,231,76		60,831,713.97				31,901,273_40		28,930,440.57
Depreciation		48,920,605.01		3.5	28,174,26			20,746,341.08		52,638,739 09		7E		42,116,037,16		10,522,701,93
Taxes-other than federal income taxes		9,063,058,78		75	5,132,48			3,930,577.63		8,377,980 10		12		4,704,147.64		3,673,832,46
Federal income taxes		2,965.48	2	(e:	2,96	5 48				667,404 23				667,404.23		
Total operating expenses	-	440,645,134,59	-	(214,559,200.95)	439,921,15	3.05	_	215,283,182,49		427,571,703.20		(202,201,550.80)		425,631,903.83	=	204,141,350.17
OPERATING INCOME		50,931,209,23			51,655,19	0:77		(723,981.54)		62,690,450.69		5.55		64,630,250.06		(1,939,799,37)
OTHER INCOME (EXPENSE)		8,365,733.83	-	=:	7,605,24	9.36	-	760,484.47		(950,576,58)	<u>)</u> :	3%		(2,933,464,17)	_	1,982,887,59
INCOME BEFORE INTEREST CHARGES		59,296,943.06		Æ	59,260,44	0_13		36,502.93		61,739,874.11		€		61,696,785 89		43,088.22
INTEREST CHARGES:																
Amortization of debt expense		3,898,181.78		27	3,898,18	1.78		2		3,901,009.51		±3		3,901,009.51		*
Interest expense	72	54,982,221.98	0=		54,945,71	9_05	_	36,502,93		55,817,578,88	- 5			55,774,490.66	-	43,088 22
Total interest charges		58,880,403,76		2	58,843,90	0 83		36,502.93		59,718,588.39		2;		59,675,500.17		43,088.22
NET INCOME	\$	416,539,30	S	- s	416,53	9.30	\$	8	\$	2,021,285,72	S	2:	\$	2,021,285 72	\$	2
RETAINED EARNINGS, JAN. 1		6,478,233,51		#6	6,478,23	3.51		9		5,293,967 64		\$1		5,293,967.64		爱
CASH DIVIDENDS ON COMMON STOCK		<u>s.</u>				=	_			(750,000 00)	<u>)</u>			(750,000.00)		- 2
RETAINED EARNINGS, SEP 30	5	6,894,772.81	\$ _	s	6,894,77	2.81	s	-	S	6,565,253 36	S	<u> </u>	\$	6,565,253,36	s _	= =====================================

CONSOLIDATING STATEMENTS OF CASH FLOWS

YEAR TO DATE AS OF SEPTEMBER 30, 2014 AND 2013-UNAUDITED

		2014				2013	torrow.	
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation
CASH FROM OPERATIONS								
Net income	\$ 416,539,30 \$	- S	416,539,30 \$	*	5 2,021,285,72	- S	2,021,285,72 \$	350
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Depreciation and amortization	48,920,605 01		28.174,263.93	20,746,341,08	52,638,739.09	161	42,116,037,16	10.522,701,93
Amortization of debt expense and discount	3,898,181,78		3,898,181,78	8	3,901,009 51	7 E	3,901,009.51	
Deferred taxes	(1,905,645,43)	7	(1,905,645,43)	2	(8,317,771,12)	(E)	(8,317,771 12)	
Gain on marketable securities	(8,365,438 22)	±	(7,556,126,55)	(809,311,67)	1,379,894.94	1.00	3,403,680,97	(2,023,786,03)
Changes in assets and liabilities:								
Accounts receivable	1,915,108,21	52	1,949,442.67	(34,334,46)	2,961,044.65		2,881.439.63	79,605.02
Fuel in storage	10,063,876.32	34	(2,628,960 22)	12,692,836.54	27,427,384,92	360	2.822,059 67	24,605,325,25
Material and supplies	(1,723,725 48)	₹ 1	(1,196,155,15)	(527,570,33)	(1,369,169.01)	· ·	(1,290,343.16)	(78,825,85)
Property taxes applicable to subsequent years	2,027,178,72	15	2,027,178,72	5	1,877,580.00		1,877,580,00	250
Emission allowances	62,428,41	72	62,428,41	Ş	62,651,47	2	62.651 47	000
Refundable income taxes	<u> </u>	19	=:	33		•		()€2
Prepaid expenses and other	(509,371,77)	12	(189,506,71)	(319,865,06)	(708,723.29)	.	(211,751,66)	(496,971,63)
Other regulatory assets	371,296.82	15	371,296.82		6,970,990 37	2	3,919,100,40	3.051,889.97
Other noncurrent assets	424,103,06	34	424,103,06	54	23,192.30	•	25,091,14	(1,898,84)
Accounts payable	(24,506,956,19)		(12,659,644 35)	(11,847,311,84)	(22,319,674,71)	Ŧ:	(14,558,748,81)	(7,760,925,90)
Deferred revenue	(11,886,078,01)	3	(10,146,455,64)	(1,739,622,37)	4,274,158,93	1	1,047,338,85	3,226,820,08
Accrued taxes	(2,001,299.01)		(2,814,168.32)	812,869 31	6,985,986,87		6,372,482 47	613.504,40
Accrued interest and other	(1,095,910,33)	-	870,423.72	(1,966,334.05)	1.961,244,44	⊕)	3,827,958,99	(1.866,714,55)
Other regulatory liabilities	6_382_794_07	31.	6,297,149,12	85,644,95	125,539,04		(3,712,906,50)	3,838,445,54
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	22.487.687,26		5,394,345.16	17,093,342.10	79,895,364.12	O H H	46,186,194.73	33,709,169.39
INVESTING ACTIVITIES								
Electric plant additions	(15,787,232,28)	Sec. 1	(6,221,539.60)	(9,565,692,68)	(59,604,587,44)	*:	(23,470,391,95)	(36,134,195,49)
Sale (Purchase) of marketable securities	2,986,062.64	£0	3,270,333,90	(284,271,26)	54,006,945,15	2 5	54.282.257.09	(275,311,94)
Advances to subsidiary company		(7,246,874 12)	7.246.874.12			2,688,125 41	(2.688.125 41)	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(12,801,169,64)	(7.246.874.12)	4,295,668,42	(9,849,963,94)	(5,597.642.29)	2,688,125 41	28,123,739,73	(36,409,507,43)
FINANCING ACTIVITIES								
Advances from parent company		7.246.874.12	94	(7.246.874.12)	0.407	(2.688,125.41)		2,688,125,41
Repayment of Senior 2006 Notes	(16,525,606,90)	285	(16,525,606,90)		(15,602.389 35)	-	(15,602,389,35)	<u> </u>
Repayment of Senior 2007 Notes	(5,754,949,22)	0.70	(5,754,949,22)	5	(5.428,043,37)	2	(5,428,043,37)	£ 3
Repayment of Senior 2008 Notes	(6,045,558.74)		(6,045,558,74)		(5,666,442.32)	-	(5,666,442,32)	**
Issuance of 2012 Bonds					(#S	*	- 5	55
Proceeds from line of credit	20,000,000.00	3.40	20,000,000.00		10,000,000,00	£	10,000,000,00	-
Payments on line of credit	(30,000,000,00)	12	(30,000,000,00)		(40,000,000,00)	≅	(40,000,000.00)	- + + + + + + + + + + + + + + + + + + +
Loan origination costs	(2,652,827,27)	121	(2,652,827.27)		(3,263,092,44)	8	(3,263,092,44)	±1
Dividends-common stock		(6)		3	(750,000,00)	·	(750,000,00)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(40,978,942.13)	7.246.874.12	(40,978.942.13)	(7.246.874.12)	(60,709,967,48)	(2.688,125.41)	(60,709,967,48)	2,688,125,41
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (31,292.424.51) \$	· s	(31,288,928,55) \$	(3,495 96)	S 13,587,754.35	s - s	13,599,966,98	(12,212.63)
CASH AND CASH EQUIVALENTS, JAN, 1	70,757,710.24	*	70,747,210,24	10,500 00	19,924,317.89	ĕ	19,901,605 26	22,712.63
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,292,424.51)	<u> </u>	(31,288,928,55)	(3.495.96)	13,587,754.35		13,599.966.98	(12,212.63)
CARL AND CARL POLICAL PATE SER 20	\$ 39.465,285.73 \$	•	39,458,281.69 \$	7,004,04	\$ 33,512,072.24	2 2	33,501,572,24 \$	10,500.00
CASH AND CASH EQUIVALENTS, SEP. 30	39,465,285,73		39,438,281.69	7,004,04	33,312,072.24	' ' =	33,301,312,24 3	10,500,00