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August 11, 2010

**Via Electronic Filing**

Mary Freeman  
Chairman, Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets and Records Manager  
460 James Robertson Parkway  
Nashville, TN 37219

**RE: Petition of Kentucky Utilities Company for an Order Authorizing the Restructure and Refinancing of Unsecured Debt, the Assumption of Obligations and for Amendment of Existing Financing Authority**  
**Docket No. 10-00119**

Dear Ms. Freeman:

Enclosed, for filing in the above referenced docket, please find the original and four copies of the second response of Kentucky Utilities Company ("KU") to Jerry Kettles' letter of July 28, 2010.

This letter will serve as the second update requested by the Tennessee Regulatory Authority ("TRA") regarding the similar proceedings pending in Kentucky and Virginia seeking approval of refinancing of debt of KU. KU will continue to file periodic updates with the TRA until such time as the TRA has acted on KU's petition.

On August 6, 2010, KU filed Revised Indenture Agreements with the TRA, the Kentucky Public Service Commission ("KPSC") and the Virginia State Corporation Commission ("VSCC"). The intervenors in KU's financing case at the KPSC did not file any testimony by the August 5, 2010 due date.

KU met with the VSCC Staff on August 4, 2010. At that informal conference, the VSCC Staff indicated that it planned to act on the financing petition soon after the KPSC issues its order on October 1, 2010. KU plans to file an application pursuant to the Virginia Affiliate Act regarding tax allocation, interim financing and an insurance service agreement on or before August 16, 2010.

Mary Freeman, Chairman  
August 11, 2010  
Page 2

Should the TRA Staff have any questions or need any additional information in connection with any of these developments or the transaction in general prior to the next update, please contact me at your convenience.

Sincerely,



D. Billye Sanders

cc: Allyson K. Sturgeon, Senior Corporate Attorney, E.ON U.S. LLC  
John Knox Walkup, Esq., Wyatt, Tarrant & Combs, LLP  
Richard Northern, Esq., Wyatt, Tarrant & Combs, LLP  
Paul E. Russell, Associate General Counsel, PPL Corporation  
Kendrick R. Riggs, Stoll Keenon Ogden PLLC