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**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 seventh response of Kentucky Utilities Company ("KU") to Jerry Kettles' letter of July 28, 2010.

This letter will serve as the seventh 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.

In the financing proceeding before the Kentucky Public Service Commission ("KPSC"), the KPSC issued its order approving the proposed financing transaction on September 30, 2010. A copy of this order was provided to the TRA on October 1, and is available online at: [http://psc.ky.gov/PSCSCF/2010%20cases/2010-00206/20100930\\_PSC\\_ORDER.PDF](http://psc.ky.gov/PSCSCF/2010%20cases/2010-00206/20100930_PSC_ORDER.PDF). On October 6, 2010, KU plans to begin recording First Mortgage Indentures in 69 Kentucky counties to secure First Mortgage Bonds on its Kentucky properties for the refinancing of approximately \$1.331 billion in debt, in order to facilitate the refinancing following the planned closing of the transaction on November 1, 2010. Closing the transaction on November 1, 2010 would allow the Petitioner to take advantage of favorable market conditions by closing on the refinancing transactions and issuing the First Mortgage Bonds on or before November 19, 2010.

Mary Freeman, Chairman

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In the financing and affiliate transaction proceedings before the Virginia State Corporation Commission ("VSCC"), all outstanding discovery is complete. The Joint Petitioners in the change of control docket continue to request that the VSCC approve the proposed refinancing and proposed affiliate transactions by October 15, 2010.

The Petitioner requests that the TRA schedule a special meeting on October 18, 2010 to vote on and approve the proposed refinancing. 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  
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