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Chairman, Tennessee Regulatory Authority
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460 James Robertson Parkway
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Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

April 4, 2012

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
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rick.lovekamp@lge-ku.com

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:

Pursuant to Ordering Paragraph No. 15 of the Commission's Order in the aforementioned docket, Kentucky Utilities Company ("KU") hereby files an original and thirteen (13) copies of information filed with the Virginia State Corporation Commission.

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy and returning it in the enclosed self-addressed, stamped envelope. Should you have any questions regarding this information filed herewith, please contact me or Don Harris at (502) 627-2021.

Sincerely,

A handwritten signature in black ink that reads 'Rick E. Lovekamp'. The signature is written in a cursive, flowing style.

Rick E. Lovekamp



Mr. Joel Peck, Clerk
Virginia State Corporation Commission
Document Control Center
1300 East Main Street
Tyler Building 1F
Richmond, Virginia 23218

**Old Dominion Power
Company**
State Regulation and Rates
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February 27, 2012

**RE: Kentucky Utilities Company (Case Nos. PUE-2009-00130 and
PUE-2010-00061)
Final Report of Action**

Dear Mr. Peck:

Pursuant to Ordering Paragraph No. 3 of the amendment to the Commission's Order in Case No. PUE-2009-00130, and Paragraph No. 7 of the Commission's Order in Case No. PUE-2010-00061, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP") hereby files an original and three (3) copies of information related to an issuance under said orders. Upon the Commission's review of satisfactory compliance with the provisions of the aforementioned Orders, KU/ODP hereby requests issuance of a dismissal order on this matter.

On November 16, 2010 KU/ODP issued a total of \$1.5 billion of First Mortgage Bonds in accordance with the aforementioned orders. The details of the bond issuances (Attachment I) and the Balance Sheet reflecting the capital structure following the debt issuances (Attachment II) are attached.

Actual expenses paid, other than commissions, related to the initial bond issuance totaled \$2,016,000 compared to \$1,760,000 as estimated in the Financing Summary attached to the application. Actual expenses exceeded estimates primarily due to legal fees being higher than originally anticipated. Additional expenses totaling \$570,000 were incurred related to the April 2011 filing of a Registration Statement with the Securities and Exchange Commission which allowed the above mentioned securities to be exchanged for similar securities registered under the Securities Act of 1933. These expenses consisted of legal fees

Mr. Joel Peck
February 27, 2012

of \$280,000, fees paid to the Securities and Exchange Commission of \$174,000, printing expenses of \$69,000, trustee fees of \$27,000 and accounting fees of \$20,000.

As described in the applications, the proceeds of the bond issuances were used to repay twenty-one unsecured intercompany promissory notes totaling \$1.331 billion in principal plus accrued interest from November 1, 2010 with remaining proceeds to be used to fund various capital projects. The cumulative principal amount of debt issued under the authority granted in Case No. PUE-2010-00061 was \$1.331 billion. There is no debt remaining to be issued under the authority granted in Case No. PUE-2010-00061. The cumulative principal amount of debt issued under the authority granted in Case No. PUE-2009-00130 was \$169 million. As of the December 31, 2011 expiration date, \$56 million of the authorized amount remained available under the authority granted in Case No. PUE-2009-00130 and will not be used.

Ordering Paragraph No. 4 of the Commission's Order in Case No. PUE 2010-00061 authorized KU/ODP to enter into one or more new credit facilities to provide short-term financing up to \$400 million. Effective November 1, 2010 KU/ODP entered into a \$400 million revolving credit agreement with Wells Fargo Bank as Administrative Agent with a termination date of December 31, 2014. Borrowing rates and fees under the agreement were based on KU/ODP's senior unsecured long-term debt rating within the credit agreement's pricing grid. Effective May 2011, the agreement was amended so that borrowing rates and fees were based on KU/ODP's senior secured long-term debt rating within the credit agreement's pricing grid. Effective October 2011, the agreement was further amended to revise the credit agreement's pricing grid and to extend the termination date of the agreement to October 19, 2016. The Commission approved this amendment and extension of the credit agreement through its Order Extending Authority Granted under Case No. PUE-2010-00061 issued September 27, 2011. A copy of the pricing grid from the original document and the revised pricing grid from amendment two of the credit agreement (Attachment III) as well as a summary of upfront fees and ongoing line of credit fees associated with the revolving credit agreement through December 31, 2011 (Attachment IV) are attached.

Mr. Joel Peck
February 27, 2012

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy and returning it in the enclosed self-addressed, stamped envelope. Should you have any questions regarding this information filed herewith, please contact Don Harris at (502) 627-2021 or myself.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick E. Lovekamp".

Rick E. Lovekamp

cc: Howard M. Spinner, Director, VSCC Division of Economics and Finance
Lawrence T. Oliver, Assistant Director, VSCC Division of Economics and Finance

Attachment I – Details of Bond Issuances**Page 1 of 1**

	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
Borrower:	Kentucky Utilities	Kentucky Utilities	Kentucky Utilities
Type of Security:	First Mortgage Bonds	First Mortgage Bonds	First Mortgage Bonds
Amount:	\$250,000,000	\$500,000,000	\$750,000,000
Issuance Date:	11/16/2010	11/16/2010	11/16/2010
Maturity Date:	11/1/2015	11/1/2020	11/1/2040
Interest Rate:	1.625%	3.250%	5.125%
Price Paid:	99.65%	99.622%	98.915%
Commissions Paid	\$1,500,000	\$3,250,000	\$6,562,500
Net Proceeds:	\$247,625,000	\$494,860,000	\$735,300,000

Kentucky Utilities Company
Balance Sheet as of November 30, 2010

Assets		Liabilities and Proprietary Capital	
Utility Plant		Proprietary Capital	
Utility Plant at Original Cost.....	6,466,499,138.13	Common Stock.....	308,139,977.56
Less Reserves for Depreciation and Amortization.....	<u>2,254,923,633.77</u>	Less: Common Stock Expense.....	321,288.87
		Paid-In Capital.....	315,858,083.00
Total.....	<u>4,211,575,504.36</u>	Other Comprehensive Income.....	(1,992,250.55)
		Retained Earnings.....	1,412,070,311.74
		Unappropriated Undistributed Subsidiary Earnings....	<u>13,996,368.75</u>
		Total Proprietary Capital.....	<u>2,047,751,201.63</u>
Investments			
Electric Energy, Inc.....	12,031,529.55	Pollution Control Bonds.....	350,779,405.00
Ohio Valley Electric Company.....	250,000.00	First Mortgage Bonds.....	1,489,123,968.75
Nonutility Property-Less Reserve.....	179,120.94	LT Notes Payable to Associated Companies.....	-
Other.....	-		
Total.....	<u>12,460,650.49</u>	Total Long-Term Debt.....	1,839,903,373.75
		Total Capitalization.....	<u>3,887,654,575.38</u>
Current and Accrued Assets		Current and Accrued Liabilities	
Cash.....	10,028,855.56	ST Notes Payable to Associated Companies.....	-
Special Deposits.....	-	Accounts Payable.....	97,245,111.09
Temporary Cash Investments.....	455.80	Accounts Payable to Associated Companies.....	34,973,743.47
Accounts Receivable-Less Reserve.....	160,275,137.40	Customer Deposits.....	22,289,680.62
Accounts Receivable from Associated Companies.....	12,671.24	Taxes Accrued.....	9,216,475.34
Materials and Supplies-At Average Cost		Interest Accrued.....	3,021,342.90
Fuel.....	105,878,435.32	Miscellaneous Current and Accrued Liabilities.....	<u>15,841,690.46</u>
Plant Materials and Operating Supplies.....	32,801,253.61	Total.....	<u>182,588,043.88</u>
Stores Expense.....	8,642,709.54		
Allowance Inventory.....	587,876.60	Deferred Credits and Other	
Prepayments.....	14,729,547.86	Accumulated Deferred Income Taxes.....	411,111,093.87
Miscellaneous Current and Accrued Assets.....	<u>89,101.94</u>	Investment Tax Credit.....	104,100,094.32
Total.....	<u>333,046,044.87</u>	Regulatory Liabilities.....	47,520,621.12
		Customer Advances for Construction.....	2,879,811.31
Deferred Debits and Other		Asset Retirement Obligations.....	53,757,624.52
Unamortized Debt Expense.....	20,357,339.69	Other Deferred Credits.....	37,383,268.54
Unamortized Loss on Bonds.....	12,430,504.44	Miscellaneous Long-Term Liabilities.....	2,572,412.83
Accumulated Deferred Income Taxes.....	56,203,522.11	Accum Provision for Postretirement Benefits.....	<u>170,292,736.52</u>
Deferred Regulatory Assets.....	211,958,566.63	Total.....	<u>829,617,663.03</u>
Other Deferred Debits.....	<u>41,828,149.70</u>		
Total.....	<u>342,778,082.57</u>	Total Liabilities and Stockholders Equity.....	<u>4,899,860,282.29</u>
Total Assets.....	<u>4,899,860,282.29</u>		

Attachment III – Pricing Grids from \$400 Million Revolving Credit Agreement

Page 1 of 2

Below is the pricing grid from the \$400 million credit facility document. The document states that the Borrower's Rating is based on KU's senior unsecured long-term debt rating which placed KU in Category B. Effective May 2011, the definition of Borrower's Rating was amended to the senior secured long-term debt rating at which time KU was considered to be in Category A.

	Borrower's Ratings (S&P / Moody's)	Applicable Percentage for Commitment Fees	Applicable Percentage for Base Rate Loans	Applicable Percentage for Euro-Dollar Loans and Letter of Credit Fees
Category A	≥ A- from S&P / A3 from Moody's	0.200%	0.75%	1.75%
Category B	BBB+ from S&P / Baa1 from Moody's	0.250%	1.00%	2.00%
Category C	BBB from S&P / Baa2 from Moody's	0.375%	1.25%	2.25%
Category D	BBB- from S&P / Baa3 from Moody's	0.500%	1.50%	2.50%
Category E	≤BB+ from S&P / Ba1 from Moody's	0.625%	2.00%	3.00%

Below is the revised pricing grid per Amendment #2 of the \$400 million credit facility which was effective October 2011. Per this pricing grid, KU is currently considered to be in Category B.

	Borrower's Ratings (S&P / Moody's)	Applicable Percentage for Commitment Fees	Applicable Percentage for Base Rate Loans	Applicable Percentage for Euro-Dollar Loans and Letter of Credit Fees
Category A	≥ A from S&P / A2 from Moody's	0.100%	0.000%	1.000%
Category B	≥ A- from S&P / A3 from Moody's	0.125%	0.125%	1.125%
Category C	BBB+ from S&P / Baa1 from Moody's	0.175%	0.250%	1.250%
Category D	BBB from S&P / Baa2 from Moody's	0.200%	0.500%	1.500%
Category E	BBB- from S&P / Baa3 from Moody's	0.250%	0.625%	1.625%

Attachment III – Pricing Grids from \$400 Million Revolving Credit Agreement**Page 2 of 2**

	Borrower's Ratings (S&P / Moody's)	Applicable Percentage for Commitment Fees	Applicable Percentage for Base Rate Loans	Applicable Percentage for Euro-Dollar Loans and Letter of Credit Fees
Category F	≤BB+ from S&P / Ba1 from Moody's	0.350%	0.875%	1.875%

**Attachment IV – Summary of Upfront and Ongoing Line of Credit Fees Associated with
Revolving Credit Agreement
Page 1 of 1**

Upfront line of credit fees paid on effective date of credit agreement - 11/1/10	\$4,028,000
Upfront line of credit fees paid related to Amendment #2 of credit agreement - 10/19/11	656,500
Annual Administrative Fees	45,000
Commitment Fee (1)	773,225
Letter of Credit Fees (2)	1,682,390
Letter of Credit Fronting Fees (3)	<u>210,847</u>
Total upfront and ongoing line of credit fees	<u><u>\$7,395,962</u></u>

- (1) Commitment fees paid on unutilized portion of credit line. Per pricing grids shown in Attachment III, the commitment fee rate was 0.25% from 11/1/10 - 5/1/11, 0.20% from 5/2/11 - 10/18/11 and 0.125% after 10/18/11.
- (2) Letter of credit commissions paid on \$198 million of outstanding letters of credit issued through the revolving credit agreement from the period 12/1/10 - 5/5/11. Per pricing grids shown in Attachment III, the letter of credit fee rate was 2.0% from 12/1/10 - 5/1/11, and 1.75% from 5/2/11 - 5/5/11.
- (3) Letter of credit fronting fee paid on \$198 million of outstanding letters of credit issued through the revolving credit agreement from the period 12/1/10 - 5/5/11. The fronting fee rate for this period was 0.25% per the agreement.