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July 22, 2013

Mr. Jerry Kettles, Chief Economic Analysis & Policy Division
c/o Ms. Sharla Dillon, Docket Room Manager
460 James Robertson Parkway
Nashville, Tennessee 37219

RE: Petition of Kentucky Utilities Company for an Order Amending and Extending Authority with Respect to Revolving Line of Credit, Docket No. 13-00096; Second Response to Data Request

Dear Mr. Kettles,

This letter is our second update in response to your letter dated June 28, 2013 seeking the status and periodic updates on the similar filings of Kentucky Utilities Company ("KU") pending before the Kentucky Public Service Commission ("KPSC") and the Virginia State Corporation Commission (VSCC).

On July 18, 2013, the VSCC issued an Order in Case No. PUE-2012-00078 approving KU's request to extend and amend its existing revolving line of credit which is also the subject of the TRA docket. The Order is attached.

We are still awaiting action by the KPSC.

Sincerely,

D. Billye Sanders

D. Billye Sanders
Attorney for Kentucky Utilities Company

c: Kendrick R. Riggs, Esq., Stoll Keenon Ogden PLLC
John Wade Hendricks, Esq., Stoll Keenon Ogden PLLC
Barry L. Dunn, Esq., Stoll Keenon Ogden PLLC
Allyson K. Sturgeon, Senior Corporate Attorney, LG&E and KU Energy LLC

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 18, 2013

FILED
JUL 18 2013
JUL 18 P 4 21

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APPLICATION OF

KENTUCKY UTILITIES COMPANY d/b/a
OLD DOMINION POWER COMPANY

CASE NO. PUE-2012-00078

For authority to issue securities and assume obligations under Chapter 3 of Title 56 of the Code of Virginia and to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

ORDER FURTHER EXTENDING AUTHORITY GRANTED

On July 5, 2012, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or the "Company") filed an application with the State Corporation Commission ("Commission") for authority under Chapter 3 of Title 56 of the Code of Virginia ("Code")¹ to, among other things, increase the amount of its existing multi-year revolving line of credit ("Revolving Line of Credit")² up to an additional \$100 million for a total amount not to exceed \$500 million.

On July 27, 2012, the Commission entered its Order Granting Authority ("July 27, 2012 Order") that, among other things, authorized the Company to amend its current multi-year Revolving Line of Credit by increasing the amount of short-term debt by \$100 million, for a total amount not to exceed \$500 million or, in the alternative, to enter into one or more new revolving credit facilities with a term not to exceed five years in an amount not to exceed \$100 million.

¹ Va. Code § 56-55 *et seq.*

² By Order Extending Authority Granted dated September 27, 2011, in Case No. PUE-2010-00061, the Commission authorized KU/ODP to enter into one or more revolving credit facilities with one or more financial institutions in an amount not to exceed \$400 million through December 31, 2016.

On September 22, 2012, KU/ODP filed a request for authority ("Initial Request") to extend its existing and previously authorized Revolving Line of Credit to five years from the closing date but no further than through December 31, 2017. The Company explained that its request was based upon its assessment that "in the future, changing market conditions and interest rates will mean that revolving credit will no longer be available on terms as favorable as found in KU/ODP's current revolving credit facility."³ The Commission granted the Company's request by issuing its Order Amending Authority Granted on October 11, 2012.

On June 28, 2013, the Company filed another request ("Second Request") to further extend the existing authority for borrowings under its Revolving Line of Credit through December 31, 2018. The Company's Second Request is premised upon the same reasons expressed in its Initial Request; namely, that the costs associated with revolving credit facilities in the future are likely to be higher than costs associated with current facilities due to changing banking regulations and market conditions. However, the willingness of lenders to extend the terms of existing facilities by another year provides the impetus of the Company's Second Request. The Company expects that the cost of entering into a new revolving credit facility at the end of 2017 would be less favorable than the estimated ten basis points cost of extending its current Revolving Line of Credit an additional year through 2018.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Company's Second Request should be granted and that the Company should be authorized to further amend and extend the term of its Revolving Line of Credit through December 31, 2018.

³ Initial Request at 1.

Accordingly, IT IS ORDERED THAT:

(1) KU/ODP hereby is authorized to amend and extend the terms of its existing and previously authorized Revolving Line of Credit through December 31, 2018.

(2) KU/ODP shall file a copy of the extension agreement promptly after it becomes available.

(3) KU/ODP shall file a Final Report on or before February 28, 2019, to include the same information as directed in Ordering Paragraph (7) of the Commission's July 27, 2012 Order.

(4) Except to the extent modified herein, all other provisions of the Commission's July 27, 2012 Order shall remain in full force and effect.

(5) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Lonnie E. Bellar, Vice President, State Regulation and Rates, LG&E and KU Energy, LLC, 220 West Main Street, Louisville, Kentucky 40202; Daniel K. Arbough, Director, Corporate Finance and Treasurer, LG&E and KU Energy, LLC, 220 West Main Street, Louisville, Kentucky 40202; Kendrick R. Riggs, Stoll Keenon Ogden PLLC, 2000 PNC Plaza, 500 West Jefferson Street, Louisville, Kentucky 40202; and Allyson K. Sturgeon, Senior Corporate Attorney, LG&E and KU Energy, LLC, 220 West Main Street, Louisville, Kentucky 40202. A copy also shall be delivered to the Commission's Office of General Counsel and to the Division of Utility Accounting and Finance.