



a PPL company

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Mr. Herbert H. Hilliard, Chairman  
Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets and Records Manager  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

October 1, 2015

Rick E. Lovekamp  
Manager - Regulatory Affairs  
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rick.lovekamp@lge-ku.com

**RE: Petition of Kentucky Utilities Company for an Order Authorizing  
the Issuance of Securities and the Assumption of Liabilities  
(Docket No. 14-00033)**

Dear Mr. Allison:

Pursuant to Ordering Paragraph No. 4 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 ("VSCC"). Attached is the Preliminary Report of Action filed with the VSCC on October 1, 2015.

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 fluid and cursive, with the first and last names being more prominent.

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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**VIA UPS OVERNIGHT DELIVERY**

October 1, 2015

**RE: Kentucky Utilities Company (Case No. PUE-2014-00031)  
Preliminary Report of Action**

Dear Mr. Peck:

Pursuant to Ordering Paragraph No. 5 of the Commission's Order dated May 8, 2014 in Case No. PUE 2014-00031, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP") hereby submits a Preliminary Report of Action.

On September 28, 2015, KU/ODP issued \$500 million of First Mortgage Bonds in accordance with the aforementioned order. The details of the bond issuance are shown below:

|                   |                      |                      |
|-------------------|----------------------|----------------------|
| Borrower:         | Kentucky Utilities   | Kentucky Utilities   |
| Type of Security: | First Mortgage Bonds | First Mortgage Bonds |
| Amount:           | \$250,000,000        | \$250,000,000        |
| Issuance Date:    | 9/28/15              | 9/28/15              |
| Maturity Date:    | 10/1/2025            | 10/1/2045            |
| Interest Rate:    | 3.300%               | 4.375%               |
| Price Paid:       | 99.957%              | 99.917%              |
| Commissions Paid: | \$1,625,000          | \$2,187,500          |
| Net Proceeds:     | \$248,267,500        | \$247,605,000        |

Mr. Joel Peck  
October 1, 2015

On September 23, 2015 KU/ODP paid out \$43,688,302 on interest rate hedging agreements with its affiliate, PPL Corporation, as the counterparty in accordance with the aforementioned order. A total of \$14,076,899 will be amortized over the life of the 10 year bonds and a total of \$29,611,403 will be amortized over the life of the 30 year bonds. Including the amortization of the swaps, amortization of the discount, and the amortization of the underwriting commissions the all in yield on the 10 year bonds will be 4.08% and the all in yield on the 30 year bonds will be 5.22%.

KU/ODP elected to split the maturity dates of the bonds between ten and thirty years in order to mitigate future refinancing risk. Assets to be acquired with bond proceeds will be long-lived and both thirty year and ten year rates are at historically attractive levels.

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Sincerely,

A handwritten signature in black ink, appearing to read "Rick E. Lovekamp", written in a cursive style.

Rick E. Lovekamp