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Filled Electronically
06/25/15
TRA Docket Office

June 25, 2015

Mr. Jerry Kettles, Chief, Economic Analysis & Policy Division
c/o Ms. Sharla Dillon, Dockets and Records Manager
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: Petition of Kentucky Utilities Company for an Order Amending and Extending Authority with Respect to Revolving Line of Credit, Docket No. 15-00056; Second Response to Data Request

Dear Mr. Kettles:

This letter is in response to your letter dated May 27, 2015 seeking the status of 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").

Attached is the Order of the VSCC, dated June 18, 2015 in Case No. PUE-2014-00031, approving KU's request to amend and extend its previously granted authority with respect to the revolving line of credit which is the subject of the above referenced docket.

We are awaiting action by the KPSC.

Please contact me if you have any questions or need additional information.

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
Monica Braun, Esq., Stoll Keenon Ogden PLLC
Allyson K. Sturgeon, Esq., LG&E and KU Energy LLC

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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AT RICHMOND, JUNE 18, 2015

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APPLICATION OF

KENTUCKY UTILITIES COMPANY
d/b/a OLD DOMINION POWER

CASE NO. PUE-2014-00031

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 EXTENDING AUTHORITY GRANTED

On April 16, 2014, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or the "Company")¹ filed an application with the State Corporation Commission ("Commission") for authority under Chapter 3 of Title 56 of the Code of Virginia² to, among other things, replace or extend the term of its multi-year revolving line of credit ("Revolving Line of Credit") through December 31, 2019.

On May 8, 2014, the Commission entered its Order Granting Authority ("May 8, 2014 Order") that, among other things, authorized the Company to amend its existing revolving line of credit, or enter into one or more new revolving lines of credit, with an aggregate principal amount not to exceed \$500 million and a term not to exceed December 31, 2019.

On June 2, 2015, KU/ODP filed a request for authority to extend the existing authority for borrowings under its Revolving Line of Credit through December 31, 2020. The Company's

¹ KU/ODP is a wholly owned subsidiary of LG&E and KU Energy, LLC, which, in turn, is a wholly owned subsidiary of PPL Corporation.

² Va. Code § 56-55 *et seq.*

request is premised upon the same reasons expressed in the original application; 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. KU/ODP believes that by extending its existing and previously authorized credit facilities, it will be able to ensure that current favorable terms for such facilities are available for as long as possible.

The extended credit facilities would be on substantially the same terms as KU/ODP's existing revolving credit facilities and would be available for the same purposes for which revolving credit is currently available. For example, loan proceeds could be used to provide short-term financing for KU/ODP's general financing needs, general costs of operation or costs of KU/ODP's various construction programs or other obligations, until permanent or long term financing can be arranged. In addition, the extended credit facilities could be used to provide liquidity or credit support for KU/ODP's other debt. While KU/ODP believes that the conditions and fees on similar credit facilities are likely to be less favorable to the borrower in 2019 than today, KU/ODP is not able to quantify such differences. However, KU/ODP believes that the cost of an extension of its existing revolving credit line would be approximately 15 basis points.

NOW THE COMMISSION, upon consideration of the matter and having been advised by its Staff, is of the opinion and finds that approval of the 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, 2020.

Accordingly, IT IS ORDERED THAT:

(1) KU/ODP is hereby authorized to extend its revolving line of credit facilities with an aggregate principal amount not to exceed \$500 million and a term not to exceed December 31, 2020.

(2) KU/ODP shall file a copy of any revolving line of credit extension agreements promptly after they become available.

(3) Except to the extent modified herein, all of the other provisions of the Commission's May 8, 2014 Order shall remain in full force and effect.

(4) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Ed Staton, Vice President, State Regulation and Rates, and Allyson K. Sturgeon, Senior Corporate Attorney, LG&E and KU Energy, LLC, 220 West Main Street, Louisville, Kentucky 40202; Daniel K. Arbough, Treasurer, Kentucky Utilities Company, 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 a copy shall be delivered to the Commission's Office of General Counsel and Division of Utility Accounting and Finance.

A True Copy
Teste:


Clerk of the
State Corporation Commission