LG&E KU
PPL companies

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

RECEIVED
OCT 20 2011
PUBLIC SERVICE COMMISSION

LG&E and KU Energy LLC
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
F 502-627-3213
rick.lovekamp@lge-ku.com

October 19, 2011

Re: ***Joint Application of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company For Approval of An Acquisition of Ownership and Control of Utilities* – Case No. 2010-00204**

Dear Mr. DeRouen:

Pursuant to the Commission's Order dated September 30, 2010 in the aforementioned case, specifically Appendix C, Commitment No. 23 of the Commission's Order, Kentucky Utilities Company for informational purposes, hereby submits with the Commission its Money Pool Application filed on October 4, 2011 with the Virginia State Corporation Commission. The application was filed electronically and is attached for your reference. This matter has been assigned Case No. PUE-2011-00110.

Please confirm your receipt of this filing by placing the stamp of your Office with date received on the extra copy and returning to me in the enclosed envelope. Should you have any questions regarding this information, please contact me at your convenience.

Sincerely,

Rick E. Lovekamp

Rick E. Lovekamp

Electronic Document Submission Results

Thank you for using the Case e-Filing system. Your submitted Case document has been sent to the Document Control Center in the Office of the Clerk, at the Virginia State Corporation Commission.

Please print a copy of this Document Submission confirmation page as a permanent record of receipt of your Case filing by the Virginia State Corporation Commission.

Your Case filing was received by the Virginia State Corporation Commission on 10/04/2011 at 02:55:31 PM Eastern Time.

Electronic filings may be submitted at any time and will be deemed filed on the date and at the time the electronic document is received by the Commission's database; provided, that if a document is received when the Clerk's Office is not open for public business, the document shall be deemed filed on the next regular business day. A filer will receive an electronic notification identifying the date and time the document is received by the Commission's database. An electronic document may be rejected if it is not submitted in compliance with the Commission's Rules of Practice and Procedure.

Case Number:	
Case Name:	Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to Engage in Affiliate Transactions Under Chapter 4 of Title 56 of the Code of Virginia
Document Type:	Application
Document Description Summary:	Kentucky Utilities Company d/b/a Old Dominion Power Company's Application to Engage in Transactions with Affiliates
Total Number of Pages:	47
PDF Document:	KU-ODP Appl to Engage in Transactions with Affiliates.pdf

Please click here if you would like to submit an additional filing.

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October 4, 2011

VIA ELECTRONIC FILING

Joel Peck
Clerk, Virginia State Corporation Commission
Document Control Center
1300 East Main Street, Tyler Building
Post Office Box 1197
Richmond, Virginia 23218

RE: ***Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to Engage in Affiliate Transactions Under Chapter 4 of Title 56 of the Code of Virginia***
Case No. PUE-2011-________

Dear Mr. Peck:

Please find attached and accept for filing the application of Kentucky Utilities Company, a Virginia Public Service Company doing business in Virginia as Old Dominion Power Company ("KU/ODP" or the "Company"), for amendment and extension of its current authority, pursuant to VA Code § 56-76 et seq., to engage in transactions with affiliates within the LG&E and KU Energy LLC holding company system in the form of a Utility Money Pool Agreement.

Should you have any questions regarding this filing, please contact me at your convenience.

Yours very truly,

Kendrick R. Riggs

KRR:ec
Attachments
cc: William H. Chambliss, General Counsel, Office of General Counsel
Susan D. Larsen, Director, Division of Public Utility Accounting
Howard M. Spinner, Director, Division of Economics & Finance
William F. Stephens, Director, Division of Energy Regulation

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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF:

KENTUCKY UTILITIES COMPANY **CASE NO. PUE-2011-________**
D/B/A OLD DOMINION POWER COMPANY

For Authority to Engage in Affiliate Transactions Under Chapter 4 of Title 56 of the Code of Virginia

APPLICATION TO ENGAGE IN TRANSACTIONS WITH AFFILIATES

Kentucky Utilities Company, a Virginia Public Service Company doing business in Virginia as Old Dominion Power Company ("KU/ODP" or the "Company") hereby applies to the State Corporation Commission of Virginia for amendment and extension of its current authority, pursuant to VA Code § 56-76 et seq., to engage in transactions with affiliates within the LG&E and KU Energy LLC holding company system as more fully described herein. In support of this Application, KU/ODP states as follows:

1. The official name of the Applicant and address of its principal business office:

   Kentucky Utilities Company
   One Quality Street
   Lexington, Kentucky 40507

KU/ODP was incorporated under the laws of Kentucky on August 17, 1912, and under the laws of Virginia on December 1, 1991, and operates in Kentucky, Virginia and Tennessee.

2. The name, address and telephone number of the persons within the Company authorized to receive notices and communications with respect to the Application are as follows:

Lonnie Bellar
Vice President, State Regulation and Rates
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-4830

Daniel K. Arbough
Treasurer
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-4956

With copies to:

Kendrick R. Riggs
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 560-4222

Allyson K. Sturgeon
Senior Corporate Counsel
LG&E and KU Energy LLC
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

3. This Application relates to the participation by KU/ODP in a Money Pool (as hereinafter described) arrangement involving short term debt, as described herein. Unless KU/ODP obtains additional approval from the Commission, short-term Borrowing under the Money Pool, along with the Company's other short-term debt outstanding will <u>not</u> exceed 12%

of the Company's capitalization.[1] KU/ODP is therefore <u>not</u> seeking authority pursuant to Virginia Code §56-55 <u>et seq.</u>, to issue securities and to assume obligations.[2]

<u>Description of KU/ODP's Position Within the PPL Corporation and LG&E and KU Energy LLC Holding Company Systems</u>

4. LG&E and KU Energy LLC ("LG&E and KU Energy") is a wholly owned subsidiary of PPL Corporation. The Company is a wholly owned subsidiary of LG&E and KU Energy. Louisville Gas and Electric Company ("LG&E"), a sister company of KU/ODP which has utility operations in Kentucky, is also a wholly owned subsidiary of LG&E and KU Energy. LG&E and KU Services Company ("Services Company") is a wholly owned, non-utility subsidiary of LG&E and KU Energy.

5. The Company applies to the Commission for authority, pursuant to Chapter 4, Title 56 of the Virginia Code, as amended, to execute an amended and restated 2011 Utility

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[1] Including debt under the revolving credit facility that the Commission approved by Order dated October 19, 2010 in Case No. PUE-2010-00061 (*Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority under Chapter 56 of the Code of Virginia to Restructure and Refinance Unsecured Debt, to Assume Obligations and for Amendment of Existing Authority)*. On September 2, 2011, KU/ODP filed a Motion with the Commission to extend the authority granted in Case No. PUE-2010-00061 through December 31, 2016. On September 28, 2011, the Commission entered an order, granting the motion.

[2] In prior Applications involving the Money Pool, KU/ODP did request authority under both the Affiliates Act and VA Code §56-55 <u>et seq.</u> because there was the potential for total short term debt to exceed the 12% of total capitalization permitted under VA Code §56-65.1. On December 17, 2002, in Case No. PUE-2002-00644, (*Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to Issue Securities Under Chapter 3 of Title 56 of the Code of Virginia and to Engage in Affiliate Transactions Under Chapter 4 of Title 56 of the Code of Virginia*) the Commission issued its Order granting KU/ODP authority to issue up to $400,000,000 in short-term debt and to participate in the Money Pool, through December 31, 2004. On January 30, 2004, the Commission authorized LG&E Energy LLC to replace LG&E Energy Corp. as a lender only participant in the Money Pool. Later, by Order dated September 21, 2004 in Case No. PUE-2002-00644, the Commission extended the authority granted on December 17, 2002, as amended on January 30, 2004 through December 31, 2007. By Order dated September 21, 2007 in Case No. PUE-2007-00082 (*Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to Issue Securities Under Chapter 3 of Title 56 of the Code of Virginia and to Engage in Affiliate Transactions Under Chapter 4 of Title 56 of the Code of Virginia)*, the Commission extended the Company's authority through December 31, 2009. Subsequently, by Order dated December 21, 2009 in Case No. PUE-2009-00104 (Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for authority to engage in an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia) the Commission granted the Company authority through December 31, 2011. On December 6, 2010 the Commission authorized the Company to amend the Money Pool agreement by substituting the new entity name LG&E and KU Energy LLC for E.ON U.S. LLC, and the new name LG&E and KU Services Company for E.ON U.S. Services Inc.

Money Pool Agreement ("Agreement") extending the Company's current authority to engage in affiliate transactions to (1) loan excess funds to a Money Pool administered by Services Company or (2) borrow funds from the Money Pool on a short-term basis up to a maximum of $500,000,000, in accordance with the Federal Power Act and the Public Utility Holding Company Act of 2005. Only KU/ODP and its sister utility, LG&E, would be borrowers under the Agreement. LG&E and KU Energy would participate as a lender only and Services Company would administer the Money Pool. The aggregate principal amount of debt that KU/ODP could have outstanding from the Money Pool at any time would not exceed Five Hundred Million Dollars ($500,000,000). KU/ODP requests that authority to participate in the Money Pool be extended through November 30, 2016.

6. On November 5, 2009, the Federal Energy Regulatory Commission ("FERC") in Docket No. ES09-53-006 authorized the Company to issue promissory notes and other evidences of indebtedness, maturing two years or less from the date of issuance, in an amount not to exceed Four Hundred Million Dollars ($400,000,000) at any one time. The authority became effective on November 30, 2009 and terminates on November 30, 2011. KU/ODP has applied to FERC to increase this authorization to $500,000,000 and for an extension. <u>See</u> Docket No. ES11-48-000.

I. SHORT-TERM DEBT

7. The Company proposes to borrow funds ("Borrowings") from time to time from affiliates through the Money Pool. Each of the Borrowings by the Company will mature on a date not more than twelve (12) months from the date of origination. No Borrowing would be due later than November 30, 2016. The Borrowings will be evidenced by one or more promissory notes or by a blanket note. Each Borrowing shall be subject to prepayment by the

Company in whole at any time, or in part from time to time, without premium or penalty, upon payment of the principal amount thereof to be prepaid and the interest then accrued on the amount so prepaid; provided, however, certain notes may be subject to a prepayment penalty or premium or other charges which are typical of transactions of this type. The Borrowing may be made for general corporate purposes, including to repay or refund any Borrowings then outstanding and unpaid. The Company may enter into one or more agreements or contracts covering the issuance of the notes or the making of the proposed Borrowings (the "Credit Documents"). It is not expected that the notes will be sold or resold to the public.

8. The aggregate principal amount of Borrowings that KU/ODP could have outstanding at any time under the Money Pool will not exceed Five Hundred Million Dollars ($500,000,000). If the entire requested amount of such short term Borrowings were outstanding, then the Company's total short term debt would be 11.28% of the Company's pro forma total capitalization computed as of June 30, 2011. Debt under the Money Pool, along with all the Company's other outstanding short-term debt, would under no circumstances exceed 12% of the Company's capitalization unless the Company obtains additional, specific authority from the Commission.

9. The Credit Documents will contain standard terms and conditions typical for such agreements. No finder's fee or any other fee, commission or renumeration, other than interest paid on any Borrowings is to be paid by the Company to any person in connection with the proposed transactions.

10. The proceeds from any Borrowings will be added to the general funds of the Company and would provide short-term funds which could be used when the need for such funds arises, including general operations. For example, it is anticipated that the Company's

construction expenditures will be approximately $624 million in 2012 and $705 million in 2013.

II. APPROVAL REQUESTED FROM THE COMMISSION

11. The Company requests approval of the Borrowings and for its entrance into the 2011 Utility Money Pool Agreement. The purpose of the Agreement among the Company, LG&E, LG&E and KU Energy, and Services Company is to provide a formal arrangement between the affiliated companies to borrow and invest excess short-term funds among themselves (the "Money Pool"). Only LG&E and the Company may borrow from the Money Pool.

12. While such intercompany borrowing and lending may not meet all short-term capital needs of the Company, the use of excess funds generated internally among affiliates can minimize the transaction costs to borrow or invest externally. Interest on the outstanding balance of all loans to the Company under the Money Pool will accrue interest at the rates for A2/P2/F2 rated Commercial Paper programs as quoted by Bloomberg under the ticker DCPD030D. Because the Company and LG&E -- the two borrowers from the Money Pool -- are of comparable credit quality (Standard & Poor's rating of A-2, Moody's rating of P-2, and Fitch's rating of F-2), the primary anticipated benefit of the Money Pool is the accumulated savings from avoided transaction fees/costs to borrow or invest externally.

13. A Financing Summary, a Balance Sheet, and a Statement of Income and Retained Earnings as of June 30, 2011, and a Transaction Summary for affiliate transactions pursuant to Chapter 4 of Title 56 of the Virginia Code are attached to this Application as Exhibits A, B, C, and D. A draft copy of the 2011 Utility Money Pool Agreement, redlined against the current Money Pool Agreement, is attached as Exhibit E. A copy of the Company's Board of

Directors resolution approving KU/ODP's incurrence of short-term debt is attached as Exhibit F.

Accordingly, Kentucky Utilities Company/Old Dominion Power Company respectfully requests the Commission to enter an appropriate order, pursuant to Virginia Code §§ 56-76 et seq.; granting the Company authority to participate in the Money Pool through November 30, 2016 and approving the proposed 2011 Utility Money Pool Agreement pursuant to Virginia Code §§ 56-77 et seq., to be effective when executed. In addition, KU/ODP respectfully requests that, in order to provide continuity in the Company's existing financing arrangements, the Commission enter its order in this matter no later than November 30, 2011.

Dated: October 4, 2011.

Respectfully submitted,

Kendrick R. Riggs
VSB No. 32247
John Wade Hendricks
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 333-6000
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Allyson K. Sturgeon
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LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088
allyson.sturgeon@lge-ku.com

Counsel for Kentucky Utilities Company
d/b/a Old Dominion Power Company

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

Daniel K. Arbough being first duly sworn, deposes and says that he is Treasurer for Kentucky Utilities Company and for Louisville Gas and Electric Company, that he has read the foregoing Application and knows the contents thereof, and that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that as to these matters, he believes them to be true.

Daniel K. Arbough
DANIEL K. ARBOUGH

Subscribed and sworn before me this 30th day of September, 2011.

Tammy J. Ely (SEAL)
NOTARY PUBLIC, STATE AT LARGE

My Commission Expires: November 9, 2014

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

S. Bradford Rives, being first duly sworn, deposes and says that he is Chief Financial Officer for LG&E and KU Energy, LLC and for LG&E and KU Services Company, that he has read the foregoing Application and knows the contents thereof, and that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that as to these matters, he believes them to be true.

S. BRADFORD RIVES

Subscribed and sworn before me this 30th day of September, 2011.

______________________(SEAL)
NOTARY PUBLIC, STATE AT LARGE

My Commission Expires: November 9, 2014

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the above and foregoing Application was served upon the following persons by first class United States mail, on this 4th day of October 2011:

William H. Chambliss
General Counsel
Office of General Counsel
Virginia State Corporation Commission
P.O. Box 1197
Richmond, Virginia 23218-1197

Howard M. Spinner, Director
Division of Economics and Finance
Virginia State Corporation Commission
P.O. Box 1197
Richmond, Virginia 23218-1197

Susan D. Larsen, Director
Division of Public Utility Accounting
Virginia State Corporation Commission
P.O. Box 1197
Richmond, Virginia 23218-1197

William F. Stephens, Director
Division of Energy Regulation
Virginia State Corporation Commission
P.O. Box 1197
Richmond, Virginia 23218-1197

C. Meade Browder, Jr.
Senior Assistant Attorney General
Office of Attorney General
Division of Consumer Counsel
900 East Main Street, 2nd Floor
Richmond, VA 23219

Counsel for Kentucky Utilities Company
d/b/a Old Dominion Power Company

EXHIBIT A

KENTUCKY UTILITIES COMPANY

FINANCING SUMMARY

Item 1: Description of Issue and Proposed Uses:

Kentucky Utilities Company (the "Company") proposes to enter into a new Money Pool arrangement with affiliates within the PPL Corporation holding company system, which would allow it to issue up to $500,000,000 of Short Term Debt. Each individual note would have a term of twelve (12) months or less and no note would be due past November 30, 2016.

The proceeds obtained will be used to supplement internally generated funds, or other short term debt, including the financing of general operations.

Item 2: Terms of Issue:

The Company proposes to issue in varying amounts its Notes from time to time, each of which would mature on a date not more than twelve (12) months from the date of issue.

The Company, the Company's utility affiliate, Louisville Gas and Electric Company ("LG&E"), their parent LG&E and KU Energy, LLC, and their non-utility affiliate LG&E and KU Services Company ("Services Company") would be parties to the Money Pool Arrangement. Only the Company and LG&E would be borrowers. The Company and LG&E could also act as lender to the other. LG&E and KU Energy, LLC would be a lender only, and Services Company would administer the arrangement.

The interest rates will vary depending on the current market conditions and maturity. For purposes of this application, a 2.74% average annual percentage rate was applied which is consistent with market conditions as of June 30, 2011.

The current security rating for the Company's short term debt is P-2 by Moody's, A-2 by Standard & Poor's and F-2 by Fitch.

KU has 37,817,878 shares of Common Stock, issued and outstanding.

Costs Of Issuance – Services Company would not charge the Company for administering the Money Pool.

Item 3: Reasonableness of Financing Strategy:

On November 5, 2009 the Company received approval from FERC to issue short-term debt securities in an amount not to exceed $400,000,000 outstanding at any time. The current authority terminates November 30, 2011. KU has applied to FERC for approval to issue short-term debt securities in an amount not to exceed $500,000,000 outstanding at any one time. See Docket No. ES11-48-000. At June 30, 2011, the Company had no notes payable to LG&E and KU Energy LLC. The interest rate in the proposed new agreement will be based on rates for A2/P2/F2 rated US Commercial Paper programs as quoted by Bloomberg under the ticker DCPD030D on the last business day of the prior calendar month. The proceeds from any Borrowings and/or commercial paper will be used to supplement internally generated funds or short term debt, finance general operations, and/or provide interim financing for the Company's financing requirements.

Using the currently anticipated FERC short-term borrowing authorization levels, if KU/ODP issued in its entirety, the proposed $500,000,000 of short-term debt would represent 11.28% of the Company's pro forma total capitalization as of June 30, 2011.

As of June 30, 2011 the Company had no long-term intercompany loans as these were replaced after the acquisition of KU's parent, LG&E and KU Energy, LLC, by PPL Corp with First Mortgage Bonds of $1,500,000,000,all with fixed interest rates. As of June 30, 2011 the Company had external, pollution control debt outstanding with principal amounts totaling $350,779,405 consisting of $323,977,405 variable rate and $26,802,000 fixed rate.

Presently, the Company's capital structure is in line with averages of similarly rated utilities.

Item 4. Impact on Company *(all values are in Millions, except percentages):*

4(A) Change In Capital Structure:

	As of June 30, 2011				
CAPITALIZATION	**Actual**	**% of Total Capitalization**	**Adjustment**	**Proforma**	**% of Total Capitalization**
Short-Term Debt	-	0.00%	500 [1]	$500	11.28%
Long-Term Debt	1,840 *	46.78%		$1,840	41.51%
Common Equity	2,093	53.22%		$2,093	47.21%
	3,933	100.00%		$4,433	100.00%

*Includes current portion of Long-Term Debt

4(B) Change In Interest Coverage:

	As of June 30, 2011		
	Actual	**Adjustments**	**Proforma**
Net Income	$187	(9) [2]	$178
Income Taxes	109	(5) [4]	104
Net Income Before Taxes	$296		$282
Interest Charges	74	14 [3]	88
Income Before Interest & Taxes	$370		$370
Pre-Tax Interest Coverage	**5.00x**		**4.20x**

Notes:

[1] Assumes $500 million outstanding in short-term debt (maximum amount).

[2] Calculation for incremental change in net income and taxes due assuming $500 million in short-term debt securities issued at 2.747%:

Annual interest expense on $500 million @ 2.747%	$14
Less: actual interest expense on promissory notes accrued for the year ended June 30, 2011	0
Additional Interest Expense	$14
Less: reduction in income taxes	(5)
Reduction in Net Income	$9

[3] Assumes all short-term debt outstanding for 12 months.

[4] Based on combined federal and state income tax rates of 38.9%.

EXHIBIT B

KENTUCKY UTILITIES COMPANY
BALANCE SHEET AS OF JUNE 30, 2011
(all values in millions)

ASSETS

CURRENT ASSETS:		
Cash and cash equivalents	$	7
Restricted cash	$	-
Accounts receivable customers - less reserve	$	166
Accounts receivable other - less reserve	$	5
Materials and supplies - at average cost:		
Fuel (predominantly coal)	$	93
Other	$	43
Preyments and other	$	8
Total Current Assets	$	322
OTHER PROPERTY AND INVESTMENTS - less reserve	$	13
UTILITY PLANT:		
At original cost	$	6,588
Less: reserve for depreciation	$	2,329
Net Utility Plant	$	4,259
DEFERRED DEBITS AND OTHER ASSETS:		
Regulatory assets	$	279
Unamoritized debt expense and loss on bonds	$	34
Other	$	121
Total Deferred Debits and Other Assets	$	434
Total Assets	$	5,028

KENTUCKY UTILITIES COMPANY
BALANCE SHEET AS OF JUNE 30, 2011
(all values in millions)

LIABILITIES AND EQUITY

CURRENT LIABILITIES:	
Notes yable to Associated Comnies	$ -
Accounts yable	76
Accounts yable to affiliated comnies	27
Deferred income taxes – net	11
Customer deposits	23
Other	31
Total Current Liabilities	168
LONG TERM DEBT:	
Long-term debt	1,840
Long-term debt to affiliated comnies	-
Total Long-Term Debt	1,840
DEFERRED CREDITS AND OTHER LIABILITIES:	
Accumulated deferred income taxes - net	492
Accumulated provision for pensions and related benefits	135
Investment tax credit	103
Asset retirement obligation	55
Regulatory liabilities	113
Other	29
Total Deferred Credits and Other Liabilities	927
COMMON EQUITY	
Common stock, without r value	
Outstanding 37,817,878 shares	308
Additional id-in capital	316
Other Comprehensive Income	(2)
Retained earnings	1,456
Undistributed subsidiary earnings	15
Total Common Equity	2,093
Total Liabilities and Equity	$5,028

EXHIBIT C

EXHIBIT C

KENTUCKY UTILITIES COMPANY
INCOME STATEMENT FOR THE TWELVE MONTHS ENDED June 30, 2011
(all values in millions)

OPERATING REVENUES	$ 1,553
OPERATING EXPENSES:	
Operations and maintenance expenses	994
Depreciation and amortization	170
Property and other taxes	25
Other operating expenses	(3)
Total operating expenses	1,186
OPERATING INCOME	367
Other (income) - net	3
Interest expense	74
INCOME BEFORE INCOME TAXES	296
Federal and state income taxes	109
NET INCOME	$187

Retained Earnings Beginning of Period	$ 1,471
Add: Net Income	187
Retained Earnings End of Period	$1,659

EXHIBIT D

KENTUCKY UTILITIES COMPANY

TRANSACTION SUMMARY – AFFILIATE TRANSACTION

A. All applications filed for approval of affiliate transactions under the Affiliates Act:

A 1. Describe, in detail, the affiliate relationship among the parties involved.

Response:

LG&E and KU Energy LLC ("LG&E and KU Energy") is a wholly owned subsidiary of PPL Corporation. The Company and Louisville Gas and Electric Company ("LG&E") are wholly owned utility subsidiaries of LG&E and KU Energy. LG&E and KU Services Company ("Services Company") is a Kentucky corporation and a non-utility subsidiary of LG&E and KU Energy (collectively, LG&E and KU Energy, Services Company and LG&E are referred to herein as the "Money Pool Affiliates").

KU/ODP will borrow funds from the Money Pool Affiliates.

A 2. Describe specific services, rights, or things to be provided.

Response:

The Company proposes to extend its current Money Pool arrangement to allow it to continue to borrow funds ("Borrowings") from time to time from affiliates through the Money Pool. Each of the Borrowings by the Company will mature on a date not more than twelve (12) months from the date of origination and no Borrowing would be due later than November 30, 2016. The Borrowings will be evidenced by one or more promissory notes, or by a blanket note. The Borrowings would be made for general corporate purposes, including repaying or refunding any Borrowings then outstanding and unpaid.

The aggregate principal amount of Borrowings that KU/ODP will have outstanding under the Money Pool will not exceed Five Hundred Million Dollars ($500,000,000) at any time.

A 3. Describe the conditions and term of the agreement, contract, or arrangement, including rights of parties to cancel and renewability. If the agreement requires the utility company to become involved in a long-term captive relationship, explain why this is necessary.

Response:

The conditions and terms of the Money Pool arrangement that the Company wishes to extend are contained in the draft 2011 Utility Money Pool Agreement, which is attached to the Application as Exhibit E. The draft is redlined against the current Money Pool Agreement. In particular, the agreement expressly sets forth the terms and conditions for the lending and borrowing of excess funds by the Company, LG&E, and LG&E and KU Energy to and from the Money Pool. No loans through the Money Pool will be made to, and no borrowings through the Money Pool will be made by Services Company or LG&E and KU Energy. LG&E and KU Energy will participate only as a lender in the Money Pool Agreement. Services Company is the administrator.

The Company's Borrowings from the Money Pool will mature on a date not more than twelve (12) months from the date of origination. The Borrowings will be evidenced by one or more promissory note(s) or by a blanket note. Each Borrowing will be subject to prepayment by the Company in whole at any time, or in part from time to time, without premium or penalty, upon payment of the principal amount thereof to be prepaid and the interest then accrued on the amount so prepaid; provided, however, certain notes may be subject to a prepayment penalty or premium or other charges which are typical of transactions of this type. The Borrowings may be made for general corporate purposes, including repaying or refunding any Borrowings then outstanding and unpaid. It is not expected that the notes will be sold or resold to the public.

From time to time, the Company may borrow funds from one or more banks, affiliates through the Money Pool, or other financial institutions. At any one time the Company will consider the relative costs, of these alternatives. The Company will not borrow through the Money Pool unless the overall costs of such borrowing, including both interest and transaction costs, are equal to or lower than the overall costs of the available alternatives. Alternatively, if the Company has excess cash to invest, it will compare the interest rates available from the Money Pool to those available externally, and select the alternative with the most attractive risk adjusted return.

Following approval of the proposed amendment and extension of the Money Pool by the Commission, the companies will execute the 2011 Utility Money Pool Agreement.

Under Section 1.01 of the agreement, each party may withdraw any of its funds at any time upon providing notice to Services Company as administrative agent. No Party shall be required to effect a borrowing through the Money Pool if such Party determines that it can, and is authorized to, effect such borrowing at lower cost directly from banks or through the sale of its own commercial paper.

A 4. Provide a copy of any formal agreement. If there is no formal agreement, provide a statement to that effect with a complete description of the contract or arrangement.

Response:

A draft of the 2011 Utility Money Pool Agreement, redlined against the current Money Pool Agreement, is attached to the Application as Exhibit E.

B. Goods or services provided to the utility:

(To the extent that the loan of money to KU/ODP constitutes a service.)

B. 1. Describe the utility's need for the goods or services.

Response:

The Money Pool provides the Company the ability to loan and borrow excess funds through Services Company in order to increase the Company's return on excess funds and reduce its transaction costs of borrowing short-term funds. It is anticipated that it will be more cost-effective for these funds to be loaned and borrowed among the participating companies than externally.

B. 2. Describe the utility's current and prior arrangements for obtaining the goods or services, where applicable.

Response:

KU/ODP currently obtains short-term financing by participating in the Money Pool and by borrowing funds from banks and financial institutions.

B. 3. Discuss whether or not the goods or services can be provided by the utility internally. If so, quantify the costs of doing so and compare such costs to costs of obtaining such goods or services from the affiliate. If not, explain why such goods or services cannot be provided internally.

Response:

KU/ODP obtains funds for its projects both through internally generated funds, and debt and equity from outside the Company. The Company does not have the internal capability to provide up to $500 million in short-term financing at any time, thus requiring the Company to look for sources of financing other than itself.

B. 4. Discuss other alternative sources for obtaining the goods or services available to the utility. Provide specific details, quantifying the costs of obtaining such goods or services from the alternative sources and comparing those costs to the costs of obtaining the goods or services from the affiliate.

Response:

As noted previously, KU/ODP obtains funds from a mixture of sources including debt, retained earnings and equity. When it is most cost-effective, and if funds are available the Company will borrow from its affiliates through the Money Pool.

B. 5. Explain how the costs of obtaining goods or services from the affiliate are to be determined. If costs to the utility are to be based on the affiliate's cost of providing the goods or services, provide those cost components. If the cost components are to include a return on investment component, state what that is and show how it is determined.

Response:

Section 1.05 of the 2011 Utility Money Pool Agreement contains the formula for determining the interest rate that will be charged on funds borrowed from the Money Pool and that will be earned on funds loaned to the Money Pool. The rate is defined as "the rates for A2/P2/F2 rated US Commercial Paper programs as quoted by Bloomberg under the ticker DCPD030D on the last business day of the prior calendar month." The ratings A2 (S&P), P2 (Moody's) and F2 (Fitch's) correspond to the Company's current credit ratings. Services Company will not charge for managing the Money Pool.

Provided the credit qualities of the Participating Companies are substantially the same:

1. Where funds are loaned to the Money Pool, it is anticipated that the rate earned on the funds will equal or exceed that earned on similar external investments due to (i) the reduction in labor costs otherwise necessary to manage external investments of excess cash and (ii) to the absence of the transaction costs ordinarily incurred for placing external investments (e.g., load

fees, commissions, etc.).

2. The transaction costs of borrowing funds from the Money Pool will be less than the cost of borrowing funds externally due to the absence of those transaction costs ordinarily incurred to issue commercial paper (e.g., underwriting fees).

B. 6. If costs to the utility are to be based on market rates, explain, in detail, how such market rates are to be determined. Provide the dollar amount and percentage of the affiliate's revenues that are derived from providing such goods or services to non-affiliated entities. Provide supporting calculations.

Response:

The interest rate formula is set out above in response to Item B.5, and is expected to be at or lower than the best rate available to KU/ODP on the market for Borrowings, and at or higher than the best rate available to KU/ODP for any loans made to affiliates through the Money Pool. Services Company, which will administer the Money Pool, has no annual revenue.

B. 7. If the utility is to be charged or allocated costs from the affiliate, explain how such charges or allocations are to be made, providing specific allocations methodologies. If allocation formulas are to be used, provide such formulas.

Response:

See response to Item E.1.

B. 8. If services are not proposed to be priced at the lower of cost, plus a reasonable return, or the market price, explain why this will not be done.

Response:

The interest rate formula is expected to result in the interest rate being equal to or lower than the lowest rate available to the Company on the external market.

C. Goods or services provided by the utility:

Response:

C1 – C8. This Application concerns a money pooling and borrowing arrangement between affiliates. The only affiliate to which KU could make a loan is LG&E, the participation of which will be governed by the same Money Pool Agreement terms that govern KU's participation therein, which terms are discussed at length in Section B above. A draft of the 2011 Utility Money Pool Agreement is attached to the Application as Exhibit E.

D. Leasing arrangements with affiliates:

Response:

D1 – D5. This Application concerns possible loans to and from affiliates, hence the requirements of Part D are inapplicable.

E. Accounting and other issues to be provided or addressed by the utility and affiliate:

E.1. Provide a copy of the utility's or affiliate's Cost Allocation Manual (depending on which entity is providing services), which describes the accounting system (to include the chart of accounts used) and cost allocation methodologies (including factors and methods of calculation) put in place to track costs accurately relative to contracts and arrangements with affiliates.

Response:

Transaction and interest costs will be tracked through KU/ODP's uniform system of accounts. Transaction costs will be directly assigned to KU/ODP FERC Account No. 923-Outside Services. Interest costs will be directly assigned to KU/ODP Account No. 430-Interest on Debt to Associate Companies. KU/ODP's Cost Allocation Manual has been previously filed and approved by the Commission in Case No. PUE-2010-00141.

E.2. Describe any specific safeguards in place to ensure that no unregulated affiliate will be subsidized by the regulated company as a result of the proposed contract or arrangement.

Response:

No unregulated affiliate can borrow from the Money Pool. Because the Company and LG&E – the two borrowers from the Money Pool – are of comparable credit quality (Standard & Poor's rating of A-2, Moody's rating of P-2, and Fitch's rating of F-2) the primary anticipated benefit of the Money Pool is the accumulated savings from avoided transaction fees/costs to borrow or invest externally.

The debt/total capitalization ratios of the Company and LG&E – the two borrowers from the Money Pool -- as of June 30, 2011, are 46.79% and 44.97%, respectively.

For a discussion of the records to be kept by Services Company with respect to its administration of the Money Pool, see Section 2.01 of the 2011 Utility Money Pool Agreement.

E.3. Compare and contrast the utility's risk exposure as a result of the proposed arrangement and show that the arrangement is in the public interest in spite of any anticipated change in risk exposure.

Response:

The Company should be exposed to less business risk by participating in the Money Pool compared to obtaining funds from other external sources. Funds that the Company invests in the Money Pool will subsequently be invested in one of two ways. Upon proper request, Services

Company will lend those funds to LG&E pursuant to Section 1.02 of the Money Pool Agreement. Alternatively, Services Company pursuant to Section 2.02 of the Money Pool Agreement will invest the funds in one or more investments in accordance with the same investment guidelines that currently govern the Company's external investments. Any funds that the Company invests in the Money Pool will therefore either (1) be invested by the Money Pool in the same type of investments in which the Company would invest such funds were it not for the Money Pool, or (2) be loaned to LG&E.

Investments in the Money Pool should actually reduce the Company's business risk associated with the external investment of funds. Unlike investments in third-party managed funds, the Company can directly evaluate the risk of investing in the Money Pool. The Company has direct knowledge as to the financial soundness of LG&E, its management personnel, and its general business practices. When the Company invests excess funds externally, the duty of investigating these aspects of potential investments is delegated to fund managers. The Company must therefore rely upon the judgment of fund managers and their assurances that such investigations are thorough.

E.4. Discuss any anticipated cost savings for the utility as a result of the arrangement. Describe such anticipated savings and quantify to the extent possible. Provide support for anticipated savings. Include any anticipated impacts on operating efficiencies or quality of service and explain and quantify to the extent possible with supporting detail.

Response:

The Money Pool Agreement facilitates administration of the cash management function at lower costs. By pooling the excess cash of the Company and LG&E to meet the short-term borrowing needs of the Company and LG&E, costs are lowered which ultimately benefits both the Company and its customers.

By borrowing short-term funds from the Money Pool, the Company avoids commercial paper dealer fees. Further, lower external borrowing requirements may reduce the level of committed bank lines of credit necessary to support commercial paper programs and result in a reduction in the associated bank commitment or facility fees.

By investing short-term funds in the Money Pool, the Company avoids transaction costs on external investments such as load fees and commissions.

Investment in the Money Pool would constitute a short-term rather than a long-term commitment of funds.

E.5. Discuss in specific terms any other anticipated positive impacts on public interest not yet addressed, including any anticipated impacts on customers' rates.

Response:

The Company does not anticipate any immediate and direct impact on customer rates, however, the reduction in administrative and operational burdens on the Company will allow KU/ODP to more productively allocate administrative resources and serve its customers.

E.6. If approval is required in other jurisdictions, provide the status of the review process in those jurisdictions and provide copies of any orders issued. Provide biweekly updates until a Commission Order is issued.

Response:

On November 5, 2009, the Federal Energy Regulatory Commission (FERC) in Docket No. ES09-53-000 authorized the Company to issue promissory notes and other evidences of indebtedness, maturing two years or less from the date of issuance, in an amount not to exceed Four Hundred Million Dollars ($400,000,000) at any one time. The authority became effective on November 30, 2009 and terminates on November 30, 2011. KU/ODP has applied to FERC to increase this authority to $500,000,000 and for an extension. See Docket No. ES11-48-000.

E.7. Descriptions of goods or services to be provided or received pursuant to affiliate contracts or arrangements must be specific. Categories such as "other" and "incidental" without description of the types of services in those categories are unacceptable and cannot be recommended for Commission approval.

Response:

The relevant Money Pool terms, including the method of determining interest rates, are discussed above.

E.8. If the proposed contract or arrangement is for the utility to provide services to an affiliate to support the affiliate providing services to other entities, the affiliate should have a separate accounting system established prior to obtaining Commission approval. If this has not been established, indicate when this will take place. A copy of the accounting procedures established for the affiliate showing how costs will be tracked should be provided to the Division of Public Utility Accounting.

Response:

Not applicable.

E.9. If the contract or arrangement involves investment by the utility company in an affiliate and the provisions of services to the affiliate to enable the affiliate to operate, describe, in specific detail, how the utility's customers (or members in the case of electric cooperatives) will be protected against any losses incurred by the affiliate.

Response:

Please see response to Items E.2 and E.3 above, particularly noting that KU/ODP and LG&E enjoy comparable credit quality ratings of A-2 (Standard & Poor's), P-2 (Moody's), and F-2 (Fitch).

E.10. For contracts or arrangements in which services are offered to an affiliate operating in a competitive environment, describe, in specific detail, what steps are being taken to ensure that the affiliate is not being favored over competitors.

Response:

Not applicable.

E.11. Describe, in detail, how the proposed services provided by the utility company will be accounted for in the utility's financial records.

Response:

Not applicable.

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EXHIBIT E

~~AMENDED~~ 2011 UTILITY MONEY POOL AGREEMENT

This Amended Utility Money Pool Agreement (the "Agreement"), dated as of December __, 2011 ~~December 17, 2007~~, is made and entered into by and among LG&E and KU Energy LLC ("LKE") (f/k/a E.ON U.S. LLC), a Kentucky limited liability company~~E.ON U.S. LLC (" E.ON US")~~, a Kentucky limited liability company and a holding company under the Federal Power Act ("FPA") and the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), each as amended, LG&E and KU Services Company ("LG&E and KU Services") (f/k/a E.ON U.S. Services Inc.)~~E.ON U.S. Services Inc. (" E.ON US Services")~~, a Kentucky corporation and a non-utility subsidiary of ~~E.ON US~~LKE and a service company under PUHCA 2005, (in its role as administrator of the money pool), Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (each a "Party" and collectively, the "Parties"). LKE shall participate in the money pool as a lender only ("Lender").

WITNESSETH:

WHEREAS, pursuant to an Amended Utility Money Pool Agreement dated December 17, 2007~~September 1, 2002~~, (the "Prior Agreement") the Parties previously established a Money Pool (the "Utility Money Pool") to coordinate and provide for certain of their short-term cash and working capital requirements; and

WHEREAS, the parties desire to terminate the Prior Agreement and enter into this Agreement to govern the Utility Money Pool; and

WHEREAS, the utility subsidiaries that will participate in the Utility Money Pool (each a "Utility Subsidiary" and collectively, the "Utility Subsidiaries") will from time to time have need to borrow funds on a short-term basis, and certain of the Parties will from time to time have funds available to loan on a short-term basis;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants and provisions contained herein, the Parties hereto agree as follows:

ARTICLE I
CONTRIBUTIONS AND BORROWINGS

Section 1.01 Contributions to Utility Money Pool.

Each Party will determine each day, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion, the amount of funds it has available for contribution to the Utility Money Pool, and will contribute such funds to the Utility Money Pool. The determination of whether a Party at any time has surplus funds to lend to the Utility Money Pool or shall lend funds to the Utility Money Pool will be made by or under the direction of such Party's chief financial officer or treasurer, or by ~~a~~ their authorized designee~~ thereof~~, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion. Each Party may withdraw any of its funds at any time upon notice to LG&E and KU Services ~~E.ON US Services~~ as administrative agent of the Utility Money Pool.

Section 1.02 Rights to Borrow.

Subject to the provisions of Section 1.04(c) of this Agreement, short-term borrowing needs of the Utility Subsidiaries ~~will~~ may be met by funds in the Utility Money Pool to the extent such funds are available. Each Utility Subsidiary shall have the right to make short-term borrowings from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein, in the FPA and PUHCA 2005 and in the applicable orders of the Federal Energy Regulatory Commission ("FERC") thereunder. Each Utility Subsidiary may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all loans requested by any Utility Subsidiary hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of the FERC and other regulatory authorities, resolutions of such Utility Subsidiary's Board of Directors, such Utility Subsidiary's governing corporate documents, and agreements binding upon such Utility Subsidiary. No loans through the Utility Money Pool will be made to, and no borrowings through the Utility Money Pool will be made by, LKE~~E.ON US~~ or LG&E and KU Services~~E.ON US Services~~.

Section 1.03 Source of Funds.

Funds will be available through the Utility Money Pool from the following sources for use by the Parties from time to time: (1) surplus funds in the treasuries of the Utility Subsidiaries, (2) surplus funds in the treasuries of ~~E.ON US~~LKE, (3) intercompany short-term loans, and (4) proceeds from bank borrowings and/or the sale of commercial paper by each of the Parties (other than LG&E and KU Services~~E.ON US Services~~) ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such other order as LG&E and KU Services~~E.ON US Services~~, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to companies borrowing from the Utility Money Pool, consistent with the individual borrowing needs and financial standing of the Parties providing funds to the Utility Money Pool.

Section 1.04 Authorization.

(a) Each loan shall be authorized by or under the direction of the lending Party's chief financial officer or treasurer, or by ~~a~~their authorized designee ~~thereof~~.

(b) LG&E and KU Services~~E.ON US Services~~, as administrator of the Utility Money Pool, will provide each Party with periodic activity and cash accounting reports that include, among other things, reports of cash activity, the daily balance of loans outstanding and the calculation of interest charged.

(c) All borrowings from the Utility Money Pool shall be authorized by or under the direction of -the borrowing Party's chief financial officer or treasurer, or by ~~a~~ their authorized designee ~~thereof~~. No Party shall be required to effect a borrowing through the Utility Money Pool if such Party determines that it can (and is authorized to) effect such borrowing at lower cost directly from banks or through the sale of its own commercial paper.

Section 1.05 Interest.

The daily outstanding balance of all loans to any Utility Subsidiary during a calendar month shall accrue interest at the rates for A2/P2/F2 rated US Commercial Paper programs as quoted by Bloomberg under the ticker DCPD030D~~high grade unsecured 30-day commercial paper of major corporations sold through dealers as quoted in The Wall Street Journal (the "Average Composite")~~ on the last business day of the prior calendar month. LG&E and KU Services ~~E.ON US Services~~ will not charge interest or fees for managing the Utility Money Pool.

Section 1.06 Certain Costs.

The cost of compensating balances and fees paid to banks to maintain credit lines by Parties lending External Funds to the Utility Money Pool shall be paid by the Party maintaining such line.

Section 1.07 Repayment.

Each Utility Subsidiary receiving a loan from the Utility Money Pool hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event within 365 days of the date on which such loan was made. All loans made through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

Section 1.08 Form of Loans to Utility Subsidiaries.

Loans to the Utility Subsidiaries from the Utility Money Pool shall be made as open-account advances, pursuant to the terms of this Agreement. A separate promissory note will not be required for each individual transaction. Instead, a promissory note evidencing the terms of the transactions shall be signed by the Parties to the transaction. Any such note shall: (a) be in substantially the form attached hereto as Exhibit A; (b) be dated as of the date of the initial borrowing; (c) be payable on demand; and (d) be repayable in whole at any time or in part from time to time, without premium or penalty.

ARTICLE II
OPERATION OF UTILITY MONEY POOL

Section 2.01 Operation.

Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by LG&E and KU Services ~~E.ON US Services~~ under the authority of the appropriate officers of the Parties. LG&E and KU Services ~~E.ON US Services~~ shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all balances, advances, interest charges and accruals, maturity dates, interest and principal payments, security, restrictions, and/or methods or Parties' duties regarding the above (all, as and if applicable) for purposes hereof, and shall prepare periodic reports thereof for the Parties. LG&E and KU Services ~~E.ON US Services~~ will not charge for managing the Utility Money Pool. Such documentation shall be maintained in accordance with the applicable documentation requirements of the FERC's Unifom System of Accounts. Separate records shall be kept by LG&E and KU Services ~~E.ON US Services~~ for the Utility Money Pool established by this Agreement and any other money pool administered by LG&E and KU Services~~E.ON US Services~~.

Section 2.02 Investment of Surplus Funds in the Utility Money Pool.

Funds not required for the Utility Money Pool loans (with the exception of funds required to satisfy the Utility Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than A by a nationally recognized rating agency; (iv) commercial paper rated not less than A-1 by S&P or P-1 by Moody's, or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit; (vii) Eurodollar funds and (viii) such other investments as are permitted by Section 203 of the FPA and Rule 33 thereunder.

Section 2.03 Allocation of Interest Income and Investment Earnings.

The interest income and other investment income earned by the Utility Money Pool on loans and investment of surplus funds will be allocated among the Parties in accordance with the proportion each Party's contribution of funds in the Utility Money Pool bears to the total amount of funds in the Utility Money Pool. Interest and other investment earnings will be computed on a daily basis and settled once per month.

Section 2.04 Event of Default.

If any Utility Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any Party seeking to adjudicate it bankrupt or insolvent, then LG&E and KU Services~~E.ON US Services~~, on behalf of the Utility Money Pool, may, by notice to the Utility Subsidiary, terminate the Utility Money Pool's commitment to the Utility Subsidiary and/or declare the principal amount then outstanding of, and the accrued interest on, the loans and all other amounts payable to the Utility Money Pool by the Utility Subsidiary hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Utility Subsidiary.

ARTICLE III

MISCELLANEOUS

Section 3.01 Amendments.

No amendment to this Agreement shall be adopted except in a writing executed by a duly authorized officer of each of the Parties hereto and subject to all applicable approvals by the FERC and the applicable state utility regulatory commission.

Section 3.02 Legal Responsibility.

Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

Section 3.03 Rules for Implementation.

The Parties may develop a set of guidelines for implementing the provisions of this Agreement, provided that the guidelines are consistent with all of the provisions of this Agreement.

Section 3.04 Governing Law.

This Agreement shall be governed by and construed in accordance with, the laws of the Commonwealth of Kentucky.

Section 3.05 Termination of Prior Agreement

Upon the effectiveness of this Agreement, including applicable FERC or state utility commission approvals, the Prior Agreement shall be deemed terminated and no further effect.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

LG&E AND KU ENERGY LLC
LG&E AND KU SERVICES COMPANY
~~E.ON U.S. LLC~~
~~E.ON U.S. SERVICES INC.~~

By:____________________________
Name: S. Bradford Rives
Title: Chief Financial Officer

LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

By: ___________________________
Name: Daniel K. Arbough
Title: Treasurer

Exhibit A
To ~~Amended~~ 2011 Utility Money Pool Agreement

FORM OF NOTE

FOR VALUE RECEIVED, the undersigned, _________ (the "Borrower"), hereby promises to pay to the order of LG&E and KU Services Company~~E.ON US Services Inc.~~, as administrator of the Utility Money Pool as defined in the ~~Amended~~ 2011 Utility Money Pool Agreement (as defined below), at its principal office in Louisville, Kentucky, on demand, the principal amount outstanding from time to time under that certain ~~Amended~~ 2011 Utility Money Pool Agreement dated as of ________, ~~2007~~ 2011 by and among LG&E and KU Energy LLC~~E.ON U.S. LLC~~, LG&E and KU Services Company~~E.ON U.S. Services Inc.~~, as administrator, the undersigned, and each of the other utility subsidiaries whose name appears on the signature pages thereof (the "Money Pool Agreement"). The principal amount outstanding under this note shall bear interest at a rate determined in accordance with the Money Pool Agreement. The undersigned hereby authorizes the administrator to record on the grid on the reverse side hereof or attached hereto, or in a similar electronic record, the date and amount of each advance under the Money Pool Agreement and each payment made on account of the principal thereof. The principal amount outstanding, as set forth in such record, shall be rebuttable presumptive evidence of the principal amount owing and unpaid on this note. This note may be prepaid in full at any time or in part from time to time, without premium or penalty.

Date: ______________________

____

By: ________________________
Name: ________________________
Title: ________________________

SCHEDULE TO NOTE

Date	Amount of Loan	Loan Repayment	Principal Amount Outstanding

EXHIBIT F

ACTION OF THE BOARD OF DIRECTORS OF KENTUCKY UTILITIES COMPANY TAKEN BY WRITTEN CONSENT IN LIEU OF A SPECIAL MEETING

September 14, 2011

Pursuant to the provisions of Section 271B.8-210 of the Kentucky Business Corporation Act and Section 13.1-685 of the Virginia Stock Corporation Act, the Board of Directors of Kentucky utilities Company, a Kentucky and Virginia corporation (the "Company" or "KU), hereby adopt the following resolutions by unanimous written consent in lieu of a special meeting and consent to the actions contemplated thereby:

SHORT TERM DEBT AUTHORIZATION

WHEREAS, the Federal Power Act requires utilities to apply for authorization from the Federal Energy Regulatory Commission ("FERC") and state statutes or regulations may require utilities to apply for authorization from state agencies, respectively, to issue securities or assume certain obligations or liabilities, including the issuance of short-term debt and/or debt involving affiliates, as applicable; and

WHEREAS, the Board of Directors deems it to be in the best interests of KU that it take actions necessary to obtain the required FERC and state authorizations and to authorize the issuance during the period ending November 30, 2013, of such debt with maturities not more than two years from the date of the borrowing or renewal up to a limit of $500 million at any time.

NOW, THEREFORE, BE IT RESOLVED, that, during the period commencing November 30, 2011 and continuing through November 30, 2013, this Company be and hereby is generally authorized to issue and reissue from time to time, in either domestic or foreign markets and to have outstanding at any one time up to $500 million of promissory notes and other evidences of secured and unsecured indebtedness, in each case maturing on demand or otherwise in less than two years from the date of issuance (collectively, the "Debt Securities"); and

FURTHER RESOLVED, that the proper officers of this Company are hereby authorized to prepare, execute and file, on behalf of this Company, an appropriate application with the Federal Energy Regulatory Commission ("FERC") under Section 204 of the Federal Power Act and appropriate applications with any state regulatory authorities for approval to issue and reissue up to $500 million of Debt Securities as contemplated by the foregoing resolution; and

FURTHER RESOLVED, that the proper officers of the Company are hereby authorized and empowered to execute and deliver, for and in the name of the

Company, promissory notes, other evidences of indebtedness or instruments of renewal to evidence the borrowings made pursuant to the provisions of the foregoing resolutions; and

FURTHER RESOLVED, that the proper officers of this Company are each hereby authorized to negotiate, prepare, distribute and execute on behalf of this Company such other documents, instruments, certificates and agreements as may be necessary or, in their judgment, desirable, to carry out the purposes of the foregoing resolutions in such form as the officer executing the same approves, such judgment to be conclusively evidenced by such execution, and to take any and all such further action as may be necessary, or in their judgment, desirable, to carry out the purposes of the foregoing resolutions; and

FURTHER RESOLVED, that any and all actions heretofore taken by any officer or officers or director or directors of this Company within the terms of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

This unanimous written consent may be executed in two or more counterparts, all of which taken together shall be deemed one and the same instrument.

WITNESS the signatures of the undersigned who are all of the directors of Kentucky Utilities Company as of the date first written above.

Paul A. Farr

Chris Hermann

John R. McCall

S. Bradford Rives

William H. Spence

Victor A. Staffieri

Paul W. Thompson

WITNESS the signatures of the undersigned who are all of the directors of Kentucky Utilities Company as of the date first written above.

Paul A. Farr

Chris Hermann

John R. McCall

S. Bradford Rives

William H. Spence

Victor A. Staffieri

Paul W. Thompson